

# Supplementary Background Document to the **VADEMECUM**

**Improving housing conditions for marginalized communities, including Roma  
in Bulgaria, Czech Republic, Hungary, Romania and Slovakia  
through the absorption of ERDF**

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## Making the Most of EU Funds for Roma

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Open Society Foundations' Making the Most of EU Funds for Roma (MtM) initiative covers the 5 EU member states of the Decade (Bulgaria, Czech Republic, Hungary, Romania and Slovakia) and is extended to Southeast European countries as well (Macedonia and Serbia first). MtM provides technical and financial assistance to the preparation and management of EU funded projects on the one hand, and contributes to formulation of EU and national policies on using EU funds for Roma inclusion on the other.

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The Metropolitan Research Institute was established in Budapest, Hungary in 1989. Since then, MRI has become a recognized institution working in the areas of housing policy and urban development as well as local government finance research. MRI has been involved in numerous Hungarian and international research projects and consultancy assignments dealing with urban housing, housing exclusion and social issues. Moreover, MRI has been involved in consulting the Hungarian governments on developing national level social housing policies, elaborating approaches to Roma housing issues and social rehabilitation methodologies since the mid 2000s.

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**List of Abbreviations**

|               |   |
|---------------|---|
| BG            | Bulgaria  |
| CSWD          | Commission Staff Working Document                       |
| CZ            | Czech Republic  |
| EC            | European Commission                                     |
| EAFRD         | European Agricultural Fund for Rural Development        |
| ERDF          | European Regional Development Fund                      |
| ESF           | European Social Fund                                    |
| EU            | European Union  |
| HU            | Hungary   |
| IUDP          | Integrated Urban Development Plan                       |
| MA            | managing authority                                      |
| MRC           | marginalized Roma community                             |
| MtM           | OSF's Making the Most of EU Funds for Roma Initiatives  |
| MtM countries | Bulgaria, Czech Republic, Hungary, Romania and Slovakia |
| OSF           | Open Society Foundations                                |
| RO            | Romania   |
| ROP           | Regional Operational Program                            |
| SK            | Slovakia  |

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*If not indicated otherwise photos included in the report were taken by Nóra Teller in the years 2006-2011.*

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## 1 Roma in the 5 MtM countries

Numerous comparative studies were produced in recent decades to illuminate major structural convergences and differences among the living conditions of post-socialist countries' Roma groups. Despite issues of constrained data collections, debates on the effects of self-identification methods for data collections etc., there is firm ground to formulate strong statements about the aggregate conditions of Roma minorities in the selected countries.

There have been several special reports produced in the framework of the Roma Decade that reviewed available data on Roma, a recent comparative FRA report on the Housing Conditions of Roma and Travellers in the European Union dated in 2009, and plenty of quantitative and qualitative reports by various organizations among them UNDP, OSI, FRA and the World Bank, some of them constrained to national level issues, or even community level assessments, some drawing comparative conclusions.

We claim that the Roma are a **heterogeneous group, having different patterns of cultural and socio-economic characteristics and facing various forms and levels of deprivation throughout the five selected MtM countries** (Bulgaria, Czech Republic, Hungary, Romania and Slovakia), which is connected with the historical past, the socialist industrialization and settlement development policy patterns, and the political and economic transition after around 1989.

Based on several data resources as indicated in the extensive footnotes to the table, we have compiled some basic quantitative and qualitative data to deliver a first-glance comparison about the Roma population's conditions in the 5 MtM countries. In the table we indicate the year of the last available data, and we show both official and unofficial data. For the population numbers we draw on the 2009 OSI Decade Report: No Data-No Progress, for the remaining information added, the source of information is indicated below the table.

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**Table 1 Basic data on the Roma population in Bulgaria, Czech Republic, Hungary, Romania and Slovakia**

|   | <b>Bulgaria</b>  | <b>Czech Republic</b>   | <b>Hungary</b>   | <b>Romania</b>   | <b>Slovakia</b>  |
|---|--|---|--|--|--|
| <b>Size of total population</b>             | 7,9 million  | 10,3 million  | 10,2 million   | 21,7 million   | 5,4 million  |
| <b>Size of Roma population (unofficial)</b> | 700-800 thousand   | 250-300 thousand  | 550-600 thousand   | 1,8-2,5 million  | 480-520 thousand   |
| <b>App. ratio of Roma population*</b>       | 9-10%  | 2-3%  | 5-6%   | 8-11%  | 9-10%  |
| <b>Basic demographic characteristics</b>    | higher size of families, lower life expectancy than of non-Roma, in Hungary with decreasing fertility, but still higher than of non-Roma       |   |  |  |  |
| <b>Urban/Rural share of Roma population</b> | 50-60% in urban areas<br>high concentration of rural Roma population in north-west Bulgaria  | basically urban, majority of Roma in north-west of the Czech Republic         | rural 60%, urban: 40%<br>highest concentration in north-east and south-west Hungary                              | 60% rural, 40% urban, but even in rural areas, many Roma live in outskirts | rural: 40%, urban: 60%, most Roma live in East-Slovakia, very few in large cities                      |
| <b>Issues of education</b>                  | high dropout rate, more than 8% illiteracy rate, many segregated schools, many Roma placed in schools for children with mental health problems | many segregated schools, many Roma children in schools with special education | many segregated schools, very low participation in secondary and basically no representation in higher education | segregated schools, high drop-out rate of Roma                             | high levels of incomplete primary education, more severe in segregated neighbourhoods (here up to 40%) |

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|  | Bulgaria   | Czech Republic   | Hungary  | Romania  | Slovakia  |
|--|--|--|--|--|---|
| <b>Issues of labour market participation</b> | app. 70% unemployed, if employed, mostly as unskilled workers  | app. 60% unemployed (non-Roma: 9%)   | high unemployment rate   | app. 23% of the respective age group is active in the labour market  | low access to the labour market, high dependence on welfare benefits with very small replacement ratio  |
| <b>Health conditions</b>                     | worse health conditions and lower life expectancy than of the average population due to severe poverty and unhealthy living conditions, generally low access to health services partly because a large part of Roma do not have health insurance |  |  |  |   |
| <b>Housing conditions**</b>                  | low infrastructure supply, majority of Roma population lives in segregated large urban ghettos, neighbourhoods/ghettos, ghettos in large cities tend to be on the outskirts, 70% of all Roma housing is reported as illegal                      | app. 60-80 thousand Roma live in segregated neighbourhoods, large part lives in municipal housing, poor conditions, large problem of arrears, level of spatial exclusion of surveyed 310 MRCs: 54% relatively integrated 23 % partially excluded 23% evidently excluded (isolated, peripheric) | poor housing conditions, app. 6% of Roma live in spatially completely segregated settlements, app. 1600 segregated neighbourhoods housing app. 300 thousand people of which: 14% isolated 66 % peripheric plus 100 ghettoized villages and other 200 vilages are being in process of ghettoization | app. 2000 ghettos comprising 1 million people, very poor infrastructure and housing condition, level of spatial segregation of ghettos: 37% isolated 52% peripheric 57% monoethnic 16% delimited by natural or artificial barriers | 787 identified segregated Roma neighbourhoods housing app 150 thousand people, out of which 21% inner part of municipality 43% on the outskirt/peripheric 36% isolated app. 30% of housing is illegal in segregated areas, totally 14% live in shacks, overcrowding |

Notes: \*mean unofficial size of Roma population to size of total population and <http://www.policy.hu/olmazu/StatisticnumberRoma.pdf>, \*\* the next subchapter discusses the housing conditions of Roma in detail. Countries' data are of indicative nature, compiled from different databases even within countries, thus not comparable. Sources: (besides interviews carried out during field visits) census data, for Bulgaria: NSRF, World Bank Report 2001, FRA Raxen Report, Decade Reports; Czech Republic: NSRF, FRA Raxen Report, Decade reports, background reports for the Social Inclusion Agency, Hungary: Assessment of the Roma Settlement Integration Report, FRA Raxen Report, Romania: EUROMA cross-country report on housing issues, NSRF, FRA Raxen Report, Impreuna non-representative survey; Slovakia: FRA Raxen Report, Decade Reports, UNDP Report of 2007 on Roma living conditions. Most of the NSRFs use national statistical data, e.g. Census Data. The 2002 UNDP Regional Report is a useful resource for further detailed information.



## 2 The scale and nature housing exclusion and spatial segregation or Roma in the 5 MtM countries

Roma face housing exclusion in all of the five countries. The **origins of marginal housing conditions are diverse, and similarly variable are current Roma housing conditions**. The next paragraphs briefly illuminate the most challenging housing issues of Roma country-by-country.

In **Bulgaria**, mammoth urban ghettos and segregated rural areas can be found equally. Most Roma live among dilapidated housing conditions, some in multi-family buildings, more in single-family housing, shacks. Segregated Roma neighbourhoods can be found in around ninety urban areas, most of them were/are constructed illegally. There is a history to the current illegal situation: after WWII during the forced settling of Roma, councils designated certain plots in urban areas, but constrained the ways of construction on such plots: only light materials could be used in *mahalas* in order to make these areas “temporary”. The neighbourhoods got more and more populated, housing extensions without building permits were undertaken, infrastructure was/is heavily underserving the areas. In some neighbourhoods, undocumented infrastructure developments were undertaken already before the transition (e.g. water pipe in parts of Fakulteta neighbourhood in Sofia).

After the transition, some plots were returned to former owners who either evicted the residents (having no titles as they never collected them, no institutional support was for that even in times when it could have been made possible), or passed on the legal titles to entrepreneurs who made contracts with the tenants, raised rents, often causing indebtedness leading to evictions. In recent years there have been several evictions undertaken by municipalities from severely dilapidated multi-family building without offering housing solutions to the illegal dwellers. In other cases, municipalities left the areas how it was, without detailed regulatory plans and titles, where no infrastructure investments can be undertaken as the current setting is not conform to any building regulations. Housing remains underserved, there is no water, sewage, gas, and prevailing lack of legal titles to land, and construction. Since the beginning of 2000s when the illegal hotel construction on the Black-sea coast became a hot political issue, illegal housing cannot be legalized and has to be demolished (only housing constructed before 1987 can stay on without necessarily having to be removed). (FRA RAXEN Report Bulgaria and comments from interviewees in Sofia during December 2010).

Housing conditions range from shacks to dilapidated multi-family housing without basic infrastructure supply, and ghettos can be found on outskirts, but also inner city areas. Rural segregated settlements are equally prevailing, foremost in the north-west of Bulgaria. As subsequent legalization of *mahalas* or illegal housing is not possible, practically app. 70% of all Roma housing in urban settlements or rural neighbourhoods is disclosed from any kinds of support and investment.

In the **Czech Republic**, Roma are mostly settled in urban areas. After WWII when the German minority was evicted from the Czech borderlands, Slovakian rural Roma were

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brought here as a cheap labour for heavy industry. A recent assessment found over 300 segregated neighbourhoods in 167 settlements, housing marginalized households out of whom 50-90% are Roma. App. 50% of Roma live in municipal housing. Housing conditions range from extremely poor to poor (but no shanty towns exist), whilst app 50% complies with regular living standards. Arrears relating to public utilities often lead to evictions to typically no-comfort dwellings on outskirts of cities.

Spatial segregation of Roma fostered after the transition, when residents lost their employment and moving in by relatives started, which went in hand with the dilapidation of the stock. As housing policy is completely decentralized in the Czech Republic, many municipalities privatized complete blocks of flats to one investor with sitting tenants in them, from where problematic – mostly Roma – tenants were either illegally evicted or bought out (by paying them a fee to give up their tenancy right) or evicted due to arrears of increased rents. (FRA Raxen Report, interviews carried out in Prague during December 2010)

In **Hungary**, before the transition, the housing shortage in cities and regulated moves to cities caused a “postponed urbanization”, whereas poor labour force could only move to surrounding villages, which trapped poor Roma and non-Roma. After the transition, however, many poor people left their urban dwellings due to increased housing costs, and poor and Roma flowed into urban transition zones with poor housing.<sup>1</sup> At the same time, those Roma who were employed in industries and commuted on a monthly basis to large cities, moved back to their villages after the plants had been closed down.

After the transition, social housing got privatized to the sitting tenants, and the remaining 3-4% of dwellings comprised the lowest quality stock housing the most vulnerable ones, among them Roma families, especially in urban areas. In some cities urban rehabilitation programs were carried out especially focusing on plots with rundown housing, where among others Roma families lived. This led to a series of population-change investment projects and finally to gentrification, and pushing out the Roma from urban neighbourhoods to outskirts or remote villages. Devaluation of housing in Roma neighbourhoods speeded up.

Based on the most recent Roma survey from the beginning of the 2000s app. 6% of all Roma live in completely segregated settlements, and despite national efforts to improve housing conditions (e.g. by forced resettling) in the sixties and seventies, segregation of Roma has been on the increase.<sup>2</sup> Roma settlements are concentrated in East and North-East Hungary (in 1993: 50% of all Roma settlements were here), whereas in Central and West Hungary Roma live more integrated urban or inner-settlement areas. Rural Roma housing conditions are especially poor. Roma housing is more overcrowded and has lower infrastructure supply than the average.

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<sup>1</sup> Települési és lakásviszonyok, költözések [*Settlements and Housing Conditions, Mobility*], In: Kemény, I., Janky, B. and Lengyel G.: The Roma in Hungary 1971-2003, Budapest: MTA (2004)

<sup>2</sup> Ladányi, J. and Szelényi, I (1999): Szuburbanizáció és gettósodás [*Suburbanisation and Ghettoisation*], In: Glatz, F. (ed) : A cigányok Magyarországon, Budapest, MTA, pp.185-206

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In **Romania**, Roma were forcefully settled after WWII, and had to leave their former economic activities without having benefitted from the land reform. In urban areas they were settled into the historic centres or on housing estates, more often dispersed into blocks of flats. Many historical centers were due to be replaced with “civic centers”, thus, a “natural” dilapidation of these houses occurred as the original inhabitants immigrated or moved whilst Roma were temporarily located there, or as it happened in Transylvania, Roma were housed in former Saxon houses as the owners left for Germany and were obliged by law to give up the houses.

After the transition, Roma were heavily affected by the restitution (that is giving back the housing to former owners) and they either had to leave the homes or remained as unprotected dwellers, facing rent increases, conclusively indebtedness and eviction. Many of them live as squatters. Currently, only 60% of Roma have clear legal right to reside in the dwelling they live in (rent or own). There are high levels of residential segregation which effects school segregation and exclusion from the labour market.

The housing conditions of the most excluded ones range from overcrowded rundown prefab housing in outskirts of towns (former industrial cities/centres) and villages cut off from several public services, district heating, water supply, to container housing placed on wasteland set out to heavy pollution, the latter ghettos being the result of forced evictions due to rent arrears or unclear legal titles. (RAXEN Report Romania, 2009, presentations during the Roma high-level conference, and interviews carried out in Bucharest, during October 2010).

In **Slovakia**, app. 40 per cent of the Roma populations is estimated to live under marginalized circumstances. In 772 towns and villages Roma live integrated among the mainstream population, but also 787 ethnically homogeneous Roma settlements exist. Out of them 168 are placed within the towns/villages, 338 on the edge of the cities/villages, around remaining 281 are either artificially or naturally separated from the residential areas or located in remote areas. Segregated settlements with untraditional housing are to be found in the regions of Kosice and Presov. Besides run-down and underserved rural segregated settlements, there are also some high-rise (prefab) buildings occupied by marginalized Roma (app. 5000 -6000 people are told to live in such housing arrangements alone in Lunik IX in Kosice).

Much of Roma housing is constructed in poor quality, a third of them illegally or on land with no clear rights in Roma settlements. Basic infrastructure (water and sewage) is lacking in app 2/3 of all Roma settlements, in a fifth of the settlements there is no hard-surface road connecting to the village/town.<sup>3</sup> In many cases, the replacement of shacks occurs by putting up new settlements via so-called low-standard social housing construction covered from the central budget of Slovakia. Large scale forced evictions based on rent arrears have been on the agenda in the past few years.

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<sup>3</sup> The Official Presentation of Anton Hrabovski on state housing investments for Roma held in the framework of the Roma Decade: <http://www.romadecade.org/files/downloads/Housing%20Workshop%202008/HrabovskyENG.ppt> and the RAXEN Report quote same data.

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Spatial segregation goes hand in hand with remoteness from other services, early school-leaving and disadvantages for labour market participation. Unsettled land titles and prevalence of illegally constructed housing challenge changing the situation, but also to getting access to housing allowance benefits as eligibility depends on having a permanent registered address which is not issued in case of illegal housing arrangement. (RAXEN Report Slovakia, 2009)

To sum up, despite **common patterns of the genesis of housing exclusion of Roma, that is forced (re)settling** among (broadly understood) inadequate circumstances during the after WWII years, and being severely hit by the economic changes of the transition, there are **some differences in the scope of the housing issues among the five countries**. Mammoth Roma settlements of Bulgaria, and recent segregated neighbourhood developments in Slovakia, underserved areas in Romania and Hungary require different actions if compared with the Czech situation, where there is less harsh isolation from services and interactions with the majority population.

**Considerably worse living conditions compared to the average, dilapidating housing and insecurity of tenure, unclear legal arrangements are common to all countries, whereas the accent of these issues may vary regionally as well.**

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### 3 Sector based review of housing interventions

#### 3.1 Social housing programs

##### 3.1.1 The Hungarian social rental housing construction program in 2000-2004

| ACHIEVEMENTS  |  |                   |  |                                     |                                 | PRECONDITIONS            |                |
|---|--|-------------------|--|-------------------------------------|---------------------------------|--------------------------|----------------|
| H.1.<br>Improve-<br>ment of<br>living<br>conditions   | H.2.<br>Improved<br>afford-<br>ability | H.3.<br>Moving up | I.1.<br>Deconcent-<br>ration of<br>poverty | I.2.<br>Tool for De-<br>segregation | I.3.<br>Access to<br>mainstream | P.<br>Requires<br>income | T.<br>Timeline |
| •••••   | ••                                     | •••••             | --/•••••                                   | yes/no                              | •••                             | yes                      | mid/long       |
| <p><b>Critical issues:</b> if built in concentrated manner, there is basically no impact for desegregation and deconcentration of poverty. It results in immediate infrastructure development, but maintenance and management requires mid/long-term resources.</p> |  |                   |  |                                     |                                 |                          |                |

In Hungary the rental housing construction program was launched in 2000. The program gave an investment grant to the local governments of up to 75% of the investment costs for various purposes: social rental, cost based rental<sup>4</sup>, young family housing, elderly homes, and pension homes. In the years between 2000-2004 several hundred local governments took part in the program. Between 2000 and 2004, the total grant amounted to 240 million EUR, and close to 13 thousand units were established including 5.7 thousand social rental and 3.2 thousand cost rental (beyond the rental housing the program supported investments into elderly homes as well).

The selection criteria for granting funding was construction costs, which kept the estimated costs very low, and contributed to (1) low construction quality, (2) increased own share of the municipalities (the funding ranged up to 60-65% instead of 75% as announced in the tenders).

<sup>4</sup> The cost based rental was allocated according to the locally defined procedures (typically by social criteria), and forced the local governments to charge minimum 2% of the investment cost per year.

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*Dilapidated stock in Magdolna district, Budapest*



*Social housing in Pécs (HU)*

Source: <http://hg.hu/cikk/epiteszet/9669-ki-koltozzon-az-uj-magyar-berlakasokba>

Much of the problems relating to the program was due to the fact that participating cities constructed homes on own plots, in some cases in integrated parts, in others, in outskirts, even in segregated areas which only fostered segregation instead of deconcentration of poverty. Normally, such solution induced immediate dilapidation. No accompanying soft measures were taken on board, that is, the program did not apply an integrated approach. In some cases, not even the replaced “housing units” were demolished which led to further tensions caused by squatters consisting level of segregation.

### 3.1.2 Drawing on the private rental sector to increase social rental provision in Flanders, Belgium

| ACHIEVEMENTS  |  |                   |  |                                     |                                 | PRECONDITIONS            |                |
|---|--|-------------------|--|-------------------------------------|---------------------------------|--------------------------|----------------|
| H.1.<br>Improve-<br>ment of<br>living<br>conditions   | H.2.<br>Improved<br>afford-<br>ability | H.3.<br>Moving up | I.1.<br>Deconcent-<br>ration of<br>poverty | I.2.<br>Tool for De-<br>segregation | I.3.<br>Access to<br>mainstream | P.<br>Requires<br>income | T.<br>Timeline |
| •••••   | •••                                    | •••••             | •••••                                      | yes                                 | •••••                           | yes                      | mid/long       |
| <p><b>Critical issues:</b> In Belgium, private rental is a common tenure form, with strong and transparent rules and protection of tenants and landlords. Social assistance is a crucial element in sustaining housing, and the social housing service provider included in the model serves as an intermediary body that guarantees for the quality of the home and regular payment.</p> |  |                   |  |                                     |                                 |                          |                |

Long waiting lists for social housing in Flanders, Belgium, makes it unrealistic for undocumented / no Belgian housing history / migrant households to get in the sector.<sup>5</sup>

<sup>5</sup> „However the main reason for their exclusion from this housing sector is their illegal status that structurally prohibits them from receiving social benefit (like other people with a low income), essential for accessing social housing all over Belgium.” (COE, 2004) – this is a very similar situation to that of many MRCs that face challenges of illegal/informal housing. Nevertheless, if private renter-landlord relations are weakly regulated and hard to enforce for each of the parties, this can be a problematic solution.

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Therefore, the refugee service Antwerp Minority Centre and the social rental agency in Antwerp (Kosova), a private social housing service present throughout the country, have a joint project which enables them to place undocumented migrants in eight houses rented by the rental agency. These flats are in turn rented on at low prices to poor people. The minimum rent level was 25 Euros a month in 2004, which does not include gas and electricity bills. The rent gradually increases in relation to a person's income. A person may apply for accommodation on condition that he or she is being accompanied by a refugee help service for at least three months or is considered by the service to have some prospect of obtaining a legal stay permit. One of the added values of the model is that they ensure access to mainstream services and to the social benefit system based on proper registration and legal address.

### 3.2 Owner-occupation programs

Home ownership programs are especially relevant in countries with extremely high share of ownership. Moreover, there are situations when homeownership programs can be considered more effective than rental programs, e.g. in rural areas where there is no demand for rental housing and no skills or organizational capacities for managing and maintaining social housing. A further case in print relates to formerly privatized multi-unit housing buildings (e.g. large-scale housing estates) that require investment into modernization so as to avoid the depreciation and marginalization of its value on the housing market. In this latter case, preventing such processes through subsidy programs for home-ownership can be very effective and can decrease the social costs of renewing such estates before pushing them into more dilapidated conditions.

#### 3.2.1 Lump sum subsidies with or without savings period

Lump sum subsidy is a type of cash grant applied to enhance housing investment by individual households. It is typically used for **financing new investment**, but can be given for **reconstruction** or even to **support transaction costs**. There are plentiful examples for this scheme, with very different outcomes even within one scheme in one country, depending on the level of decentralization and enforcement.

| ACHIEVEMENTS   |  |                   |  |                                     |                                 | PRECONDITIONS            |                |
|--|--|-------------------|--|-------------------------------------|---------------------------------|--------------------------|----------------|
| H.1.<br>Improve-<br>ment of<br>living<br>conditions  | H.2.<br>Improved<br>afford-<br>ability | H.3.<br>Moving up | I.1.<br>Deconcent-<br>ration of<br>poverty | I.2.<br>Tool for De-<br>segregation | I.3.<br>Access to<br>mainstream | P.<br>Requires<br>income | T.<br>Timeline |
| •••  | •••                                    | •••               | •••  | no                                  | •••                             | yes                      | mid/long       |
| <p><b>Critical issues:</b> Due to limitations in the obtainable funding, improvement of housing conditions can be achieved mostly via refurbishment programs, in several cases moves are facilitated (e.g. in the recently seized Hungarian scheme). As the schemes normally targets working households with income, they do not reach the worst-off households.</p> |  |                   |  |                                     |                                 |                          |                |

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The lump sum grant was used in Hungary to support families with children (new construction or extension or purchase of second hand homes, app. 15-60% of construction cost could be covered). Lump sum subsidies are given also condominiums for rehabilitation, especially for “thermal rehabilitation”, and it has to be supplemented by own funds typically covered via Bausparkassen-types of savings and loans.

**Lump sum schemes combined with savings schemes** have been broadly applied connected In South-America (e.g. Ecuador), lumps um subsidies were applied to facilitate the eligibility for loans due to increased down-payment capacities. Similarly, in Hungary, Bulgaria and Slovakia, in the framework of a so-called IDA scheme (individual development account), a saving scheme, lump-sum subsidies are paid after 1-5 years of controlled and facilitated savings period as bonus. The sums can be crucial in refurbishment or down-payment for loans, or fostering credit history. In **Slovakia**, ETP NGO has been combining this element with further housing interventions to maximize the impact, and accompanying soft measures (trainings, social and health service) are implemented.



*ETP's IDA project outcomes: housing for Roma in Slovakia*

*Source: ETP presentation by Slavomira Macakova*

The **Hungarian lump-sum model designed for Roma** should stand here as worst-case example showing how the **lack of political interest on central and local level to enforce strategic goals of integration** can lead to sever leakage of the subsidy. In Hungary, between 1994 and 2000 a special program was launched to help Roma people to have access to a lump sum home ownership grant required for construction. The local governments provided the land, an NGO organized the project, and the central government supported the NGO by giving the lump sum grant to the beneficiaries. Due to lack of control on the central level, many Roma families “sold” the subsidy, and many families became victims of “housing mafia”. Typically, contracts were signed among entrepreneurs to complete the construction in return to the subsidy’s sum, but the construction never happened. Due to a relatively low sum of the subsidy, families with low savings could only afford bad quality housing. Many local governments tended to allocate bad quality plots in hazardous areas, thus, households ended up in areas recently hit by floods. The mainstream scheme (no intermediary bodies included, the sum of the subsidy was only based on the number of children) was seized in 2009 due to central budgetary constraints.



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**3.2.2 Loan programs (mortgages and guarantees)**

The typical constraint of the low-cost homeownership programs is the **reluctance of the banks to take the risk** related to the mortgage loans given to low-income households (credit rationing problem).

There are two solutions to overcome this constraint: first, using state owned, public mortgage, second, giving private or public guarantee for the banks issuing individual loans. (Buckley et al 2003) The main feature of these programs is sharing the risk, that is, the state provides implicit or explicit guarantee up to a certain point, whereas, the banks should bear the basic credit risk.

One of the most “popular” demand side subsidies was the interest rate subsidy in order to reduce the interest paid by the borrower to the lenders. There are different schemes depending on the funding structure. The government can pay a fixed or a portion of interest to the lender, or can provide support to the funding used for housing loans. (Hoek-Smit and Diamond, 2003) These **solutions apply only to households that have a more or less regular income and are not pushed into the spiral of debts.**

| ACHIEVEMENTS   |  |                   |  |                                     |                                 | PRECONDITIONS            |                |
|--|--|-------------------|--|-------------------------------------|---------------------------------|--------------------------|----------------|
| H.1.<br>Improve-<br>ment of<br>living<br>conditions  | H.2.<br>Improved<br>afford-<br>ability | H.3.<br>Moving up | I.1.<br>Deconcent-<br>ration of<br>poverty | I.2.<br>Tool for De-<br>segregation | I.3.<br>Access to<br>mainstream | P.<br>Requires<br>income | T.<br>Timeline |
| •••••  | ••••                                   | ••••              | --/•••••                                   | yes/no                              | •••••                           | yes                      | mid/long       |
| <b>Critical issues:</b> Location of the investment has to be chosen appropriately, and case-by-case management needs administrative capacities on the funder’s side. |  |                   |  |                                     |                                 |                          |                |

In **Greece**, a country without a social rental housing sector, interest free loans are provided for completion, extension or repair of the existing homes. In 2006, the loan was financed by the Workers’ Housing Organization, and amount for 25000 EURO (plus 4000 EURO per child) in the case of completion, and 15000 EURO (plus 1500 EURO per child) for repair. The loans have to be repaid in 15 years (in the border region: 20 years). In addition, for large families (at least four children, or at least three but one of them with disability, or anybody in the family with disability) can receive an interest-free loan for purchasing a house or construct one (90000 EURO plus 9000 EURO for every child beyond the fifth). These loans are repaid in 25 years. In case the families have to pay more for the installment than 20% of their yearly income, or 15%-10% for families with children (decisions are made on case by case basis), extra subsidy elements are put in place. In case the family has more than 5 children, 50% of the debt to the Organization is written off (ready houses or flats). For those who became unemployed after signing a contract with the Housing Organization, special conditions can be set.

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**3.2.3 Community based microfinance schemes**

There are **two approaches in microfinance** in housing. The first one is microcredit to housing finance (MCHF), the second one is shelter advocacy to housing finance (SAHF) (World Bank, 2000). The MCHF originally was a microcredit scheme for small and micro-enterprises, and as the demand showed that in the case of such companies, shelter and business are very closely connected, and the house is the place for income-generating activities. The second scheme arose from the advocacy agenda of defending the poor and the struggle for policy changes to ensure their access to resources, services and rights, i.e. land and shelter. These schemes are **small-scale**, are mostly **community based initiatives**.

| ACHIEVEMENTS   |  |                   |  |                                     |                                 | PRECONDITIONS            |                |
|--|--|-------------------|--|-------------------------------------|---------------------------------|--------------------------|----------------|
| H.1.<br>Improve-<br>ment of<br>living<br>conditions  | H.2.<br>Improved<br>afford-<br>ability | H.3.<br>Moving up | I.1.<br>Deconcent-<br>ration of<br>poverty | I.2.<br>Tool for De-<br>segregation | I.3.<br>Access to<br>mainstream | P.<br>Requires<br>income | T.<br>Timeline |
| •••  | ••                                     | •                 | --/•••                                     | yes/no                              | •••••                           | yes                      | mid/long       |
| <p><b>Critical issues:</b> schemes based on developing community responsibility need to be assisted not only through intensive social work but also financial counseling, which needs transparent operation of the loan provider and administration. Accompanying measures include legalization.</p> |  |                   |  |                                     |                                 |                          |                |

There are several types of SAHF programs, e.g. offering a **community based savings and loans association** that can qualify “for matching funds, such as a loan from an NGO or an in-kind grant from the municipal government in the form of building materials. Individual loans are awarded to members of an eligible savings and loan association and are guaranteed by a usufruct right to the land and collective liability. Peer pressure and the incentive of future access to credit—up to three consecutive loans are awarded— effectively ensure timely repayment of loans. An example of this type of program is Casa Melhor and PAAC in Brazil.” (ibid.) A further type of SAHF offers products that enables the households to get access to national housing subsidy schemes for which they are eligible but do not have the down payment. **Other programs enable the dwellers to legalize their status of living** through assisting the registering process which then often a precondition for investment in housing improvement.

Recently, several pilots are launched in Hungary (one of the models is co-financed by the Soros Foundation) and Bulgaria (with the assistance of the Habitat for Humanity), with a strong community building component.

### 3.3 Housing allowance schemes

Most EU states have more or less generous housing allowances schemes in place. These schemes enable low-income households **to consume “more” housing** than they would be able to do without the support. The allowances work in two ways. They decrease the price of housing consumption and this increases the income that the household can use for housing consumption.<sup>6</sup>

The scheme is based on the recognition that housing costs (in most cases rent expenses) put a too heavy burden on low-income groups. The more prevalent „gap formula” (e.g. Netherlands) requires the households to pay a (minimum) **contribution to the housing costs**, further housing costs or a given ratio of the remaining part are paid by the state. The „residual income” formula (e.g. UK) sets the minimum amount a household should dispose of after paying all housing costs, and the state would complement the beneficiaries’ residual income up to this sum. Theoretically, the latter one can focus on lower-income groups more and provides more for safety net functions, whereas the first one can be distributed more evenly among the different income groups and hence has a more accentuated affordability function. (COE, 2008)

For countries where the reported income is unreliable due to high participation in the black labour market, **too sophisticated means testing models and formula based elaboration of subsidy schemes are irrelevant and costly solutions**. Therefore, a combination of setting minimum thresholds and means tested benefit sums should be made available.

**Additional debt management models** to re-include consumers in public infrastructure services should be in place. Non-payment and illegal consumption of public services are some of the most crucial challenges of MRCs throughout the 5 MtM countries. Therefore, numerous battles are in place among service providers, consumers, and public authorities. We know examples of both dissatisfactory solutions (cutting the service, no reconnections, high transaction costs, placing meters in inaccessible locations, stealing electricity, non-payment, scandals), and progressive solutions (cooperation among players to repay debts and writing off arrears, disciplined payment, increased quality of life).

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<sup>6</sup> The evolving of a multitude of forms, their effects and possible measurements of effectiveness have been intensely investigated in several policy analyses to which this report cannot make reference to. Recent elaborations of selected schemes can be found e.g. in P. Kemp (ed.) *Housing Allowances in Comparative Perspective* (Bristol: Policy Press).

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### 3.3.1 Housing allowance scheme in the Czech Republic in combination with a guarantee

| ACHIEVEMENTS   |  |                   |  |                                     |                                 | PRECONDITIONS            |                |
|--|--|-------------------|--|-------------------------------------|---------------------------------|--------------------------|----------------|
| H.1.<br>Improve-<br>ment of<br>living<br>conditions  | H.2.<br>Improved<br>afford-<br>ability | H.3.<br>Moving up | I.1.<br>Deconcent-<br>ration of<br>poverty | I.2.<br>Tool for De-<br>segregation | I.3.<br>Access to<br>mainstream | P.<br>Requires<br>income | T.<br>Timeline |
| ••   | ••••                                   | •                 | --   | yes*/no                             | •••••                           | no                       | mid/long       |
| <b>Critical issues:</b> *if access to housing allowance enables moving, the scheme effectively contributes to desegregation and mobility. This is the basic expectation towards the scheme |  |                   |  |                                     |                                 |                          |                |

In the Czech Republic,<sup>7</sup> there is a tenure neutral and household is eligible if housing expenditures exceed by more than 0.3multiple of household income (0.35multiple in Prague) and, simultaneously, 0.3multiple of household income (0.35 multiple in Prague) is below notional housing expenditures (tariffs). Notional housing expenditures are set by law they increase each year according to the pace of rent deregulation. The allowance is computed using following formula:

$HA = \min(TC, RC) - k * \max(Y, SM)$ , where

$TC$  - notional „tariff“ housing costs;  $RC$  - real housing costs;  $Y$ - household income;  $SM$ -subsistence minimum.

There are two crucial momentums to the model: it is **tenure neutral**, thus, it is available for social and private rentals and also owners occupation. Bearing in mind that leaving the poor ownership sector to get closer to labor market opportunities is highly constrained by affordability of the private rental market (and discrimination of families with many children and Roma), this scheme is a promising tool. Moreover, it takes an average eligible housing cost as a starting point, which **controls for over-consumption**.

The planned model is based on the above two pillars. In order to **counteract severe discrimination and to minimize the risks of landlords** and renters, an additional institutional element is under consideration: guaranteeing the rent payment via a pool of funds and an **intermediary institution**. The basic idea is to guarantee for the risk of non-payment for eligible private landlords who offer dwellings for 10% lower rents than the market rents, based on a private insurance scheme so that “high-risk” tenant groups, among them Roma, can access the sector and hence, improve their living conditions under desegregated circumstances. The institutional details are under elaboration for the Social Inclusion Agency.

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<sup>7</sup> The information is based on Lux, M. (2010).

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### 3.3.2 Arrears management and pre-paid consumption, Hungary

| ACHIEVEMENTS   |  |                   |  |                                     |                                 | PRECONDITIONS            |                |
|--|--|-------------------|--|-------------------------------------|---------------------------------|--------------------------|----------------|
| H.1.<br>Improve-<br>ment of<br>living<br>conditions                                | H.2.<br>Improved<br>afford-<br>ability | H.3.<br>Moving up | I.1.<br>Deconcent-<br>ration of<br>poverty | I.2.<br>Tool for De-<br>segregation | I.3.<br>Access to<br>mainstream | P.<br>Requires<br>income | T.<br>Timeline |
| •••  | •••                                    | •                 | --   | no                                  | •••••                           | yes                      | short/mid      |
| <b>Critical issues:</b> minimum investment is required when (re-)installing meters |  |                   |  |                                     |                                 |                          |                |

One of the most popular debt-management models applied in Hungary is a combination of in-kind housing allowance and repayment of debts via pre-paid public utility services. The model needs a **minor infrastructure investment**, that is, a meter which is served by a pre-paid card. Typically, gas and electricity providers have been offering such meters for many years now. The account can be recharged at the service points of the utility provider. For the repayment of the debt, a certain ratio of the recharged credits is written off, based on a case-by-case debt management contract between the household and the service provider. The housing allowance scheme is offered in-kind in the form of credits to be consumed. Households reportedly consciously control their consumption after the meters are installed. The application usage of this technical solution **can be easily learned and it can be transferred** if the infrastructure for recharging the pre-paid cards is available.



*Electricity meter run with a pre-paid card in Veszprém,  
and the so called "Tower of Hell" Hungary (photos provided by Miklos Vecsei)*

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### 3.4 Combination of schemes

As local communities in MRCs are heterogeneous, households need different assistance. **Program designs should be flexible** enough to take into account not only a variety of needs but also the variety of capacities of the beneficiaries to be involved in the activities, some people needing more time to get involved, whereas some stakeholders might act as multipliers. Interventions should be planned over a longer period building on (and achieving) participation, taking into account that the chosen **infrastructure investment will be in most families' lives an once-in-a-lifetime chance**, people and the community have to best make use of.<sup>8</sup> There are several good examples in all the 5 MtM countries, each of them tailor-made for the given community, answering real needs and adopted to local circumstances.,

#### Dolny Kubin - combination and harmonisation of interventions (SK)

As an illustration we use the case of **Dolny Kubin**, a municipality of app. 20 thousand inhabitants which has been thoroughly building elements of interventions together targeting at a diversity of groups via tailor-made solutions. The local Roma population is app. 400 persons, thus, a small minority. The example illustrates thorough program design.<sup>9</sup>

| ACHIEVEMENTS   |  |                   |  |                                     |                                 | PRECONDITIONS            |                    |
|--|--|-------------------|--|-------------------------------------|---------------------------------|--------------------------|--------------------|
| H.1.<br>Improve-<br>ment of<br>living<br>conditions  | H.2.<br>Improved<br>afford-<br>ability | H.3.<br>Moving up | I.1.<br>Deconcent-<br>ration of<br>poverty | I.2.<br>Tool for De-<br>segregation | I.3.<br>Access to<br>mainstream | P.<br>Requires<br>income | T.<br>Timeline     |
| •••••  | •••••                                  | •••••             | ••••                                       | yes                                 | •••••                           | yes                      | short/mid/<br>long |
| <b>Critical issues:</b> Social work and combination with soft elements (training and labour market activities) form the backbone of the model. |  |                   |  |                                     |                                 |                          |                    |

App. 340 Roma with a combination of deviances and difficulties in making up for living lived in the very heart of the city, and gradually, their dwellings were disconnected from all public service supply. By 2004, the situation escalated and the council decided to expel the Roma. As there was no land made available in time for participating in nationally funded low-standard housing construction scheme, and the warnings of the local social service, the city took for other comprehensive solutions inspired by Banska Bytrica results of integration. The

<sup>8</sup> The case study on Tarnabod (HU), the Inclusive Village, is another good illustration of combining activities. (page 17). This section focuses now more on a diversification of housing interventions.

<sup>9</sup> Information presented here is a summary of Hojsik (2010).

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families were rehoused and the function of the dilapidated building was changed – it got integrated in the **local social housing staircase provision**.

The municipality applies a staircase housing model **with strong social work and labour market services**. Participation in the activities is compulsory. Moreover, the municipality makes available further services, such as **trainings** so as to get employed in public services of the municipality (public works). This way, the city established a strong income generation pillar.

**Individuals and families that successfully pass through these conditions, get social rentals that are located dispersed in the city in order to prevent the production of new ethnic ghetto.**

The staircase model comprises the following levels:

(1) Local homeless are served with a low-threshold shelter equipped with bed and bathrooms, and all registered persons get an in-kind food benefit (a bracelet ensuring access to the shelter and consumption of food in the cafeteria and shops included in the provision network). The rooms are surveyed via CCTV, and social workers are available for assistance.

(2) Two-bed rooms in a shelter for homeless persons who have to pay 2 EUR/night (in winter 2,5 EUR) and participate in 2 hours/day labour activity. A social worker is in place, and clients are served one hot meal per day.

(3) Clients who have complied with the conditions of stage (2) may get a tenancy in the transitory home called “Chance” for one year. This period is accompanied by constant social work and clients are included in compulsory employment activities. They fee for the rooms is 100 EUR/month, including all maintenance fees (there is shared kitchen and bathroom).

(4) Families with children at risk are supported via a further housing solution: There is a low-threshold day center for the children, and a family shelter refurbished in 2006. Families take their own furniture in their rooms (TVs are not allowed). Besides a community room with TV, there is shared kitchen and bathrooms. Residents have to look after the common parts and the garden. The building houses the field social worker’s office, thus, there are sessions and meetings held here. It is obligatory to participate in labour activities organized by the house.

(5) Further 30 families can be lodged in the hostel “Hope”. This is basically the former Roma building where residents taking part in the complex social service can stay. Residents get paid for their activities they provide for the service but they have to take part in a diversity of activities to maintain the surroundings. Tenants get interest-free loans to refurbish their apartments. The city offers additional refurbishment schemes: e.g. if the tenant replaces one window, the municipality pays for changing the second one in order to increase energy-efficiency and lower maintenance costs. There is a building manager appointed by and from among the tenants who is responsible for the heating, and looking after order and compliance with the rules. Tenants can lose their tenancies, and are automatically removed back to a lower stage (here: 4). Non-payment is strictly sanctioned this way, and intensive social work ensures participation in sufficient income-generation activities.

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According to the accountancy, the operation of the abovementioned institutions has brought net profits as tenants have been paying their rental fees regularly.



*Social housing in Dolny Kubin*

*Source: Hojsík (2010)*

The city has been constantly increasing its housing stock via a diversity of schemes: social housing construction, purchasing second-hand homes from elderly (these are dispersed in integrated parts of the city). Local housing policy measures comprise loans for first-time buyers. Tenants in social housing have to refurbish and maintain their rental dwellings on a regular basis.

**Roma tenants who have complied with the requirements in the staircase model are strongly motivated and helped to move to rentals in integrated areas. There is strong political support and clear communication with the receiving community.**

Dolny Kubin has succeeded in addressing various housing needs within a harmonized and combined service package. The key element is strong accompanying social work that enables households to establish individual pathways to integration. Transparent and enforced rules are the backbone of the cooperation, whereas pathways up and down are established. Segregation is prevented via cautious planning and allocation mechanism, and strong political will, and successful communication.



## 4 Challenges of program implementation: best practice housing programs focusing on segregated Roma communities

In various countries, local and national level programs have been targeting at solving the housing issues of segregated and disadvantaged Roma communities, while tackling at least some aspects of housing exclusion. The interventions range from clearing legal titles, through infrastructure investment, to coordinated actions of income generation, education, community development.

**The relevance, scope, effects, and sustainability issues of each of the interventions are different, similarly to the variety of regional differences and housing issues they address, the planning and implementation efforts they require, etc.**

We elaborate selected examples in order to support our arguments of how make use of available ERDF funding in programs targeting at vulnerable Roma communities who live in segregated Roma neighbourhoods. We deal with programs and initiatives launched in the years after the transition, as in all of the 5 MtM countries, **before the transition, the basic pattern was forced (re-)settling of Roma** in order to enhance integration via assimilation where housing in multi-unit blocks or construction plots (or nationalized housing of any kind, see section 2 on housing exclusion of Roma) were offered. After several decades, in some cases we see a multiplied negative effect of forced (re-)settling and the economic transformation of the nineties, where whole micro-regions and regions slide towards on the lower end of the regional development hierarchy without any tools to halt social and economic decline.

**After the transition, the first attempts to tackle housing exclusion of Roma were initiated by the NGO sector**, prominently by international organizations like World Bank, UNDP, Soros Foundation (via national and local NGOs), OSCE, and international charities.<sup>10</sup> The urging needs to be engaged with were **inhuman and unhealthy living conditions, forced evictions of families** who lost their titles to housing either because of restitution or rent/utility arrears.

We must add that systemic changes that would be tackling general housing exclusion patterns or mass reproducing of deep poverty among excluded Roma groups, however, could not and cannot be achieved via these punctual interventions. Nevertheless, there is good reason to assume that **there are several intervention patterns that can more contribute to increasing social mobility potential of families and communities and thus enhance their integration**, and challenges learned can be equally useful for future policy development. Also, with the time passing by, we see some interventions that are embedded

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<sup>10</sup> The following paragraphs are based on information available from the country RAXEN Reports, interviews carried out in the visited MtM countries and further country specific secondary resources as indicated among the references in the last section of this paper. Under charities we subsume here diverse churches, Habitat for Humanity, Norwegian, Swedish CIDA etc. Funds, and so on.

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into forming national housing strategies, that already aim at a systemic approach to housing exclusion of vulnerable groups, among them Roma.

We review some selected cases country by country and at the end of the section we elaborate the interventions based on the following:

- (1) effectiveness of the intervention in terms of achieving housing inclusion of the given target community in the given settlement and/or micro-regional context;
- (2) conformity with the basic requirements of the changed ERDF regulation, i.e. integrated approach, targeting at marginalized communities, aiming at desegregation;
- (3) sustainability of the intervention.

### ***4.1 Bulgaria: National level approach to Roma housing inclusion and the interventions in Hristo Botev neighbourhood of Sofia***

(a) After more than a year of preparation, strongly facilitated by the UNDP, in 2006, the **National Programme for Improving the Living Conditions of Disadvantaged Ethnic Minorities in Urban Areas** was launched. It foresaw a total of 1.5 billion Leva (767 million EUR) in 8-10 years, based on EU/WB, national and municipal resources. The aim was improving the housing conditions based on an empirical needs assessment, and targeting at infrastructure developments, allowance schemes etc. For the first three years, before the program was stopped due to the financial crises, the Ministry of Regional Development and Public works allocated 50 million Leva in 2009 (25.6 million EUR, co-financed by the World Bank). The first phase was to facilitate settling the legal titles of Roma settlements, as app. 70% of Roma housing has unclear titles. Thus, selected 88 municipalities, where the Roma population is above 10%, could apply for funding and get assistance in producing a new master plan and detailed regulation plan, and create the basic legal conditions for infrastructure investments. Knowing that the dense settlement structures and the quality of constructions often violate the current building regulations, thus, the creation up-to-date regulation plans is challenged, **besides regularization, the program included replacement of to-be-demolished housing with social housing**. Unfortunately, however, besides having produced 20 cadastral plans, no social housing construction projects were implemented, and during the time of the regularization phase, some (mass) evictions were carried out without settling the housing conditions of the affected households.

According to experts of the Soros Foundation, the National Programme is a well elaborated plan, and it contains **both “slum upgrading”, both “slum eradication” approach**, that critically reflects the diversity of the Roma housing problem in Bulgaria. Due to the lack of resources and political will, the implementation of the program was stopped.

(b) Besides some slum upgrading projects (cited e.g. in Slaev, 2007, Plovdiv case financed from Phare funding), the intervention in the **Hristo Botev neighbourhood** housing app. 14

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thousand Roma is a case of **social housing construction**. Here, on the place of demolished shacks, a multi-family building comprising 12 social housing blocks with 132 flats was put up with shops on the ground floor on the end of the neighbourhood closest to the adjacent neighbourhood. Romani NGOs participated in the project via selecting the design and the households to move in. A similar approach is planned to be carried out in the coming years in **Stara Zagora by Habitat for Humanity**, a project targeting among other working poor people Roma families as well. Here, besides construction of 140 “core houses” based on a cheap loan provided by Habitat and based on self-help construction on land provided with infrastructure supply by the municipality in the center of the settlement, future optional extension of the home is made possible.

### ***4.2 Czech Republic: Centrom’s staircase model and the planned national level rental program: guaranteed housing***

(a) Centrom, and NGO with the center in Ostrava established in 1997, has been implementing a complex intervention, where **besides housing development, community development and training (after-school, several vocation training programs) are also included**. The project is co-financed from EU funds, via IOP, Axis 5, and received additional funds from the national government for the housing intervention, summing to 2.5 million EUR. The housing component is a staircase model, basically very similar to transitional housing solutions from homelessness (a part of it actually is further on kept is a “homeless shelter” service). Besides regular social rental housing, social housing with social services is offered for families, and a third category “assisted”/transitory housing is established. The housing model implies the housing mobility pathway between the levels. 70% of all clients of Centrom are Roma, and 35% of the employees – some of them former clients – are Roma as well.

(b) As there is no implemented national level housing strategy for Roma<sup>11</sup> besides the recent needs assessment activities of the Agency for Social Inclusion (ASI) that facilitates accessing EU Funds in specific communities having Roma population, there are only plans for offering options to tackle housing exclusion. One the recent developments is elaborated by ASI (by housing researchers the Czech Academy of Sciences), and is hoped to be piloted in 2011. The so-called **guaranteed housing model is based on (a) guarantee fund to tackle non-payment lower (b) the extended housing allowance scheme**, as it enables those who cannot afford private rent to enter the private rental sector. The basic idea is to guarantee for the risk of non-payment for eligible private landlords who offer dwellings for 10% lower rents than the market rents, based on a private insurance scheme so that “high-risk” tenant groups, among them Roma, can access the sector and hence, improve their living conditions under desegregated circumstances.

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<sup>11</sup> Experts have assessed the “Proposal of National Approach Policy to Resolving the Issue of Deprived Town Quarters Inhabited Predominantly by Citizens of Roma Origin” as not important.

### **4.3 Hungary: national level Roma settlement integration program**

In Hungary, in 2005, the national government launched a Roma Settlement Integration Program that was extended and improved throughout the past 5 years. It reached app. 40 communities with a funding of app. 11 million EUR, and was based on **an integrated and complex approach, strongly aiming at de-segregation.**

Interventions included housing refurbishment, purchasing second-hand homes, housing construction and other infrastructure developments, community building via community and social or health infrastructure development, training programs, social inclusion programs, and interventions enabling easier access to labour market. The program targeted at small rural communities, and projects could be carried out both by NGOs and municipalities (the latter had to be supportive to the program).

Year by year it was based in a different institutional and financial setup, and in 2010 there has been an attempt to harmonize EU funds for soft elements and national funding for the infrastructure improvement, which effort, (among others) due to financial constraints was stopped. The Roma Settlement Integration Program is going to be re-launched in 2011 from national funds.

The difficulties of the implementation were administrative burden and delayed funding, local resistance to integrate the population (that is let them purchase housing in the central parts of the villages), and lack of employment options to sustain improved living conditions. The time to carry out the projects was very short and community involvement and sensibilisation phase – despite strong nation level commitment to include this phase in the projects – was practically nonexistent, which in many cases lead to escalation of local conflicts.

The interventions have had a tangible integration effects in most settlements which was assured through thorough mentoring of the program via a network of specially trained social worker staff.

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### ***4.4 Romania: Impreuna project in Nusfalau, and Soros/Habitat project in Baltesti, and NAR's role aiming at social housing construction***

(a) One of the first NGO initiatives in Romania was a very small scale, still relevant project carried out by the first Roma NGO, by Impreuna Agency for Community Development. They implemented a **long-term comprehensive project in Nusfalau based on income generation and housing improvement**. Nusfalau is a small village inhabited among others by Roma whose traditional activities include bricklaying. First, Impreuna mobilized the capacity to produce clay bricks. This generated both income and building materials for upgrading and building new homes on one of the two plots provided by the municipality (the second plot was used for producing the bricks). The project ended, and the local community is reported to carry on bricklaying and improving living conditions through increased income.

Another, more recent project is run by Habitat for Humanity Romania together with the local Soros Foundation and the municipality (it started in 2008). They have been implementing a **participatory model of housing refurbishment and construction** in Baltesti, a village housing 400 Roma out of a population of app. 3700 in the proximity of Ploiesti. The municipality designated 13 plots for the housing investments (one is outside of the Roma part) and gave assistance with the administration and permission of the plans. Eight houses have been (are being) constructed, six renewed. The selection of beneficiaries is carried out by the local Action Team (participants: local Roma referee representing (and voluntarily paid by) the municipality and the local Roma community, Soros and Habitat). All beneficiaries participate in constructing/renewing their homes and their neighbours' homes. Professional assistance and supervision is provided by Habitat and Soros staff. Currently, there are negotiations about establishing a grass-root Roma enterprise for garbage collection. There are little chances to channel adults into vocational training programs as many of them lack elementary education. In the framework of the project, the project staff (Soros and Habitat) **planned housing together with the target group taking into account their needs and aspirations, and affordability of the new homes**. Refurbishment is accordingly organized (e.g. extension with bathroom, sink, adding rooms, change of roof, etc.). The families helped are all participating in the works, they normally have some income (even if in-kind) from little businesses or day-work in agriculture. The constructions costs are kept low. The interventions will enable one family to move out from the Roma settlement part, the rest of the families remain there. Living conditions will substantially improve. One of the expected outcomes is much less problematic participation of Roma children in school.

It is a step-by-step project based on inclusive planning and participation throughout the project, placed in the very heart of the Roma settlement, but it does not directly facilitate moving out from there.

(b) The National Agency for Roma (NAR) has several activities relating to driving housing investments for Roma, despite its reportedly decreased role. It provided a list for FSRD (Romanian Social Development Fund) to steer World Bank resources for small-scale

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infrastructure developments to Roma communities, and it has been trying to facilitate the formation of integrated Roma projects in 3 counties, to which the funding of the housing element (construction of 300 social housing units) should be provided by the national level. Facilitation of project generation is going to be achieved by training app. 200 Roma facilitators to support the current network's impact (see potential role of a facilitator in the Baltesti case above).

### ***4.5 Slovakia: Construction of low standard housing blocks for replacement of shacks of Roma from national funding, and ETP's integrated activities***

(a) The national level government has been working for the replacement of dilapidated, inhabitable Roma housing by introducing a **low-standard social housing construction** scheme that covers 80% of the costs of construction, where the remaining fifth should be covered by the municipalities applying for funding. They can count in the labour force of the future tenants as resources to cover the 20%. The program is entitled "The Program of Support of Construction of Municipal Lower Standard Rental Apartments designated for citizens in material need and the construction of technical infrastructure in Roma settlements" and has produced app. 2890 flats between 2001 and 2009. Per settlement the average housing construction projects comprised 5-200 flats, with a maximum size of 2 room-flats, 56m<sup>2</sup> (independent of the number of household members). Housing was **built concentrated in blocks, mostly in outskirts of outside the settlements**. From all national expenses spent via a diversity of housing interventions in 2009, out of 341,5 million EUROS, app. 5.5 million EURO was spent for housing and related infrastructure investments.

(b) ETP, one of the forerunners for community development, has been coordinating its activities with UNDP, World Bank, Habitat for Humanity, etc. activities. In Nalepkovo, together with Habitat for Humanity and the municipality, they implemented **a participatory project on increasing financial capacities for refurbishing (and completing) low standard buildings** in the course of 2005-7. Individual financial counseling and social work enabled savings and then drawing on interest free micro-loans and bonuses for refurbishment.

#### ***4.6 Evaluation of the projects and lessons learnt***

Besides the above qualitative descriptions, some additional elements are highlighted as they are relevant for understanding the context of the concrete interventions. These are:

- basic aim of the program;
- location of targeted Roma community and the level of segregation the project tackles;
- infrastructure developments (road, public utilities, communal services) implemented;
- the nature of housing investments (renewal, construction of new housing, energy efficiency, sustainability, comfort level);
- community and beneficiaries' involvement;
- source of funding.

In order to assess the possible impact of the projects and their EU conformity of the interventions, three dimensions are taken into consideration:

- (1) effectiveness of the intervention in terms of achieving housing inclusion of the given target community in the given settlement and/or micro-regional context;
- (2) conformity with the basic requirements of the changed ERDF regulation, i.e. (2.a) integrated approach, (2.b) targeting at marginalized communities, (2.c) aiming at desegregation;
- (3) sustainability of the intervention.

The following table summarizes the information.

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**Table 2 Evaluation of selected Roma housing interventions in the 5 MtM countries**

|  | Bulgaria  |  | Czech Republic   |   | Hungary   | Romania   |  | Slovakia   |  |
|--|---|--|--|---|---|---|--|--|--|
|  | <i>National Programme for Improving the Living Conditions of Disadvantaged Ethnic Minorities in Urban Areas</i> | <i>Social housing project in the Hristo Botev neighbourhood in Sofia</i> | <i>Centrom Staircase Project</i>                         | <i>Guaranteed housing model</i>                                 | <i>Roma Settlement Integration Project</i>        | <i>Impreuna project in Nusfalau</i>               | <i>Habitat/Soros project in Baltesti</i>           | <i>Construction of Municipal Lower Standard Apartments</i> | <i>ETP microloan project</i>                         |
| <b>basic aim</b>   | legalization (implemented), improving if housing conditions (not implemented)                                   | replacing shacks by social housing construction                          | community development with staircase housing service     | improve living conditions by enabling access to private rentals | improve living conditions and enhance integration | income generation and improving living conditions | improving living conditions                        | improving living conditions                                | improving financial capacities and living conditions |
| <b>location and level of segregation prior to the intervention</b> | segregated urban neighbourhoods   | segregated neighbourhood in Sofia  | segregated neighbourhood in Ostrava                      | not relevant  | high, 40 different settlements                    | high  | segregated neighbourhood in Baltesti               | segregated neighbourhoods                                  | segregated neighbourhood in Nalepkovo                |
| <b>implemented infrastructure investments</b>                      | planned but not implemented   | construction of shops on ground levels                                   | social infrastructure                                    | none  | roads, public utilities, social infrastructure    | one of the plots as site for producing the bricks | prior to the project there was a road construction | sewage, water, electricity                                 | none   |
| <b>implemented housing investments</b>                             | planned but not implemented   | social housing construction  | social housing construction/ refurbishment (three types) | none  | demolishing, refurbishing, construction           | refurbishing and construction                     | refurbishing and construction                      | eradication of the shacks, social housing construction     | refurbishment  |
| <b>community involvement in the housing element</b>                | none  | yes in planning  | yes in construction                                      | none  | yes in planning and construction                  | yes   | yes in planning and construction                   | yes in implementation as own share                         | yes  |
| <b>source of funding</b>   | WB, municipal, national   | EBRD   | national and EU funding                                  | national and donor  | national funding                                  | donors  | donors   | national   | donors   |



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|   |  | Bulgaria  |  | Czech Republic                         |   | Hungary                                    | Romania                                |  | Slovakia  |  |
|---|--|---|--|--|---|--|--|--|---|--|
|   |  | <i>National Programme for Improving the Living Conditions of Disadvantaged Ethnic Minorities in Urban Areas</i> | <i>Social housing project in the Hristo Botev neighbourhood in Sofia</i> | <i>Centrom Staircase Project</i>       | <i>Guaranteed housing model</i>             | <i>Roma Settlement Integration Project</i> | <i>Impreuna project in Nusfalau</i>    | <i>Habitat/Soros project</i>           | <i>Construction of Municipal Lower Standard Rental Apartments</i> | <i>ETP microloan project</i>           |
| <b>effectiveness of achieving housing inclusion</b> |  | none  | improving housing conditions   | improving housing conditions           | improving housing conditions                | improving housing conditions               | improving housing conditions           | improving housing conditions           | improving but to lower standard than the mainstream               | improving housing conditions           |
| <b>conformity with the ERDF requirements</b>        | <b>integrated approach</b>             | no  | no   | yes                                    | no  | <b>yes</b>                                 | yes                                    | yes                                    | no  | yes                                    |
|   | <b>targeted at marginalized groups</b> | yes   | yes  | yes                                    | yes   | <b>yes</b>                                 | yes                                    | yes                                    | yes   | yes                                    |
|   | <b>desegregation measures taken</b>    | no  | no   | no                                     | yes   | <b>yes</b>                                 | no                                     | no                                     | no  | no                                     |
| <b>sustainability</b>                               |  | no measures   | no measures  | trainings for future income generation | reliance on public housing allowance scheme | trainings for future income generation     | trainings for future income generation | planned measures for income generation | no measures   | trainings for future income generation |

Source of information: discussions during field visits, national FRA Raxen Reports.

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To conclude, the selected interventions have a diversity of goals that intend to **tackle several local needs**. Some of them have a national level defined goal, and have been adjusted to the local circumstances. This means that only such programs are sufficient that take into account – keeping the national level/EU principles/common good goals, e.g. as integration, desegregation as baseline – the fact that even short term interventions on the long run **impact local communities'** life via infrastructure investments and soft program elements.

Taking a closer look at the above table, it becomes obvious, that **desegregation is seldom the goal** of the housing interventions, even if the programs are considered as “best practice” examples or examples that have certain lessons to share. This can have several reasons. In the Bulgarian case, unsuccessful desegregation measures were targeting at **mammoth ghettos, where with limited funds no visible effects can be achieved**. Therefore, in the Bulgarian context, slum upgrading is conceived as a positive intervention. Nevertheless, if there is no mobilization out from the ghettos, the **reproduction of severe housing exclusion remains unhindered**, and social integration loses a very important pillar. Desegregation in areas with small segregated neighbourhoods is a relatively “easier task, where visible impact can be easier achieved, if there is sufficient political support to integration.

Nevertheless, **tackling discrimination of the target group** at the community level is an uneasy task, therefore the sensibilisation period and the developing of the sense of ownership also on the side of the receiving community is a precondition for successful local actions. **Community development is a costly and a time-consuming issue, which has reportedly been severely underestimated throughout projects that aimed at spatial integration.**

Not only housing choice can be affected by effects of discrimination, but also **preconditions to sustainability** can become easily challenged. Improved housing conditions mean increased housing costs (that might be the basic idea behind the Slovakian national level under-served social housing development projects), which have to be covered by the target households. In case of severe discrimination on the labour market, access to jobs and calculable income are missing. If the beneficiaries fail to sustain their new homes they do not only lose housing, but also get a stigma (either by those who could not participate in the programs but would have wanted to or by those who were against the implementation of the intervention). As we can see, sustainability issues are **basically not addressed in most of the programs, challenging any substantial long-term impact** for the living conditions of families who receive a once-a-life time investment into their homes.

All examples state that **income generation** is a key issue, and **trainings** facilitating labour market participation have to **be carried out even before the increased housing costs appear**, in order to accommodate changes to expenditure structure and financing commitments. The **integrated approach**, which means exactly the coordination of series of actions tackling a bundle of challenges, such as low skills and unmarketable labour force, health issues, etc. hand in hand with community development are core elements. As field-work has shown, partnerships on local level, enabling representation of interest, and access to information are heavily needed actions besides supporting interventions like training,

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employment and social measures. Some of the interventions listed above do not contain this element either.

One of the further common basics to the abovementioned interventions is **targeting at marginalized communities**. Identifying the target groups for selected interventions and assessing the impact on the communities is of vital importance. The above projects have been applying a variety of solutions to this issue.

In the case of actions carried out by national/public stakeholders, there have been previous **empirical needs assessments** relating to Roma living conditions, mapping the social and housing exclusion of Roma. This resulted in all countries in a compilation of **settlement lists**<sup>12</sup> where Roma are represented, or as in the Slovakian case, more specifically, where there are Roma segregated neighbourhoods. These reports are strongly based on **expert assessments** and less on self-identification of Roma.

As for the **concrete target areas and target groups on local level, the targeting mechanisms are more complex**. In the case of the Bulgarian national attempt to include Roma settlements in the local regulatory plans to enhance infrastructure development, the selection is **area based** (and based on expert assessment). In the case of the Hristo Botev neighbourhood, a local group was involved in the selection of future tenants, basically former residents of the exclusively Roma neighbourhood. Here, the **housing/residential history** was the selection criteria. The Czech national plans of guaranteed housing will imply a **means testing** as targeting method. The Hungarian Roma Settlement Integration Program applied several targeting mechanism. **Experts (and local politicians) assessed** the needs of the households based on actual living conditions (worst come first), developed a hierarchy among the potentially participating households and tried to figure out solutions based on the inclusion of the households. Was no consensus achieved, the family dropped out. If there were **multiple segregated neighbourhoods in the target settlement, the worse off in terms of housing conditions** had to be tackled by desegregation measures. In Romania, there are only plans of interventions. In Slovakia, municipalities identified the families based on **individual assessments**.

In the case of the above NGO based interventions, the programs were specifically developed for the local communities in accordance with activities of the specific NGOs, and participation in the projects by Roma or non-Roma is upon **ad hoc decisions and self-defined policies of the NGOs**.

The **assessment of the impact** on the participating households can be easily measured on the short run, e.g. labour market participation for a certain time span, completed trainings, changed living conditions, etc. are easily measurable by common indicators. The effects of the interventions for the whole community can be better assessed via proxies, such as coverage of a ratio of households by interventions, basic indicators of infrastructure developments and demolition of shacks, increased social/cultural activities, increase in

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<sup>12</sup> E.g. in Romania the mapping was carried out by the Soros Foundation and the World Bank, there is no official list. The lists are incomplete, subject to revisions, but still an acceptable tool to start with planning and interventions.

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number of tax payers, growing participation in school and training activities, etc. As for the effects of the project especially among the Roma, **empirical anonym data collections** can show specific program elements' impacts on the specified marginalized ethnic group.<sup>13</sup>

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<sup>13</sup> Cosmetics to data provision can remain a challenge and national programming should aim for implementing sensible indicators to assess the impacts.

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**5 Options for and actual use of ERDF funds for MRCs**

**Table 3 Possibilities of using and the actual use of ERDF funds for marginalized Roma communities in Bulgaria, Czech Republic, Hungary, Romania and Slovakia**

|  | Bulgaria   | Czech Republic  | Hungary  | Romania  | Slovakia  |
|--|--|---|--|--|---|
| <b>measures for area-based settlement development programs with integrated approach in relevant OP</b> | yes only for cities  | yes only for cities   | yes only for cities  | yes only for cities  | yes for cities and rural settlements as well  |
| <b>tools of targeting marginalised Roma communities in the relevant interventions</b>                  | none only 2-3 pilots are planned on national level             | yes socially excluded neighbourhoods are centrally approved in 31 cities                                      | yes in IUDPs the cities have to define the location of MRCs to which they may develop integrated development project           | none   | yes centrally compiled list of MRCs in cities and villages as well                              |
| <b>concrete projects for Roma communities under implementation</b>                                     | no concrete projects   | yes six pilot projects are being implemented  | yes, about 10 projects include area with high rate of Roma population  | none   | none  |
| <b>tools ensuring the integrated approach</b>  | still only in theory: IUDP of cities and parallel calls of OPs | on project level: IUDP of cities for MRC action-zones harmonised calls of OPs                                 | on project level: 10-20% ESF funded measures has to be implemented the project has to be based on IUDP covering the whole city | yes IUDP that cities have to develop   | IUDP for cities and local integrated development plan for villages                              |
| <b>is there support to facilitate planning of integrated projects?</b>                                 | no   | yes methodological guidelines and facilitators compulsory for MRC project                                     | yes methodological guidelines and facilitators for IUDP and project development  | no   | partly soft methodological guidelines and facilitators for IUDP, but not compulsory to use them |
| <b>housing measures is possible in the integrated projects?</b>  | in theory yes but no funds were provided for housing so far    | in designated areas for certain cities regarding MRCs only for the six pilot projects but for them compulsory | yes, compulsory but very limited in concrete projects  | in theory yes but there was no demand for housing intervention from the side of the cities | no  |

IUDP: integrated urban development plans, MRC: marginalised Roma communities, OP: operational programmes

## 6 Detailed overview of the related operational programmes

We analyse the operational programmes from the aspects that with what measures and how they contribute to the integration of disadvantaged Roma people and the marginalized Roma communities. As the housing related interventions are included in the **regional operational programmes** (further on referred to as ROP, except for the Czech Republic where they are in the Integrated Operational Programme, IOP) and the measures promoting the social inclusion of disadvantaged and vulnerable groups are included in the **human resources development programmes** (further on referred to as HROP), we examine these two programmes in details. While analyzing the programmes we examine the following aspects:

- housing measures: what kinds of interventions are possible and what settlements are eligible
- physical and social infrastructure development: what interventions are eligible
- measures for the improvement of social inclusion of Roma (soft measures)
- requirements for local strategic development documents (integrated urban development plans) and the regulation of such plans
- in what way the Roma minority as a whole and Roma neighbourhoods are targeted in the operational programmes
- during the implementation of the programmes how the Roma population and or neighbourhoods are targeted

## 6.1 Regional operational programmes

### Bulgaria

In Bulgaria there is **one Regional Development Operational Programme** covering all the six NUTS-2 regions, including five priority axes. Regarding the eligibility criteria, according to the size of the municipalities there is a distinction between larger and smaller municipalities. The larger municipalities are defined as urban agglomeration areas (the urban centers and the surrounding settlements), and they are entitled for the Priority Axis 1 called *Sustainable and Integrated Urban Development*, while the smaller municipalities are entitled for the Priority Axis 4 called *Local Development and Co-operation*. In Bulgaria, out of 264 municipalities 86 are defined as urban agglomeration areas. Smaller municipalities tend to have permanent peripheral status.

The Priority Axis 1 called **Sustainable and Integrated Urban Development** includes five operations aiming at the development of social infrastructure, housing, economic activities, urban physical environment and sustainable urban transport system. This is the only operation in the ROP that includes housing measures. This means that **housing measures are available only in the urban agglomeration areas**. Social infrastructure development measures for smaller municipalities are available under the Priority Axis 4, while local and intra-regional road developments and modernization of energy systems are possible under Priority Axis 2 called Regional and Local Accessibility.

Under priority axis 1 which is the most important priority axis in the ROP amounting to the 52,4% of the total ROP budget, it is acknowledged that “the predominance of the Roma people in urban low-income neighbourhoods and the particularly critical conditions of their housing public services, the proposed priority axis will have a special focus on this ethnic minority.” (Bulgarian ROP, p. 97) It also emphasizes the importance of housing policy in the framework of urban development and therefore it wants to contribute to the revitalization of the multi-unit buildings (mostly prefabricated housing estates) and to the increase of the social housing stock for vulnerable, minority and lower income groups.

The OP links housing interventions to local integrated urban regeneration and development plans: housing measures can be implemented only if the municipalities already have such plans. Despite this stipulation the housing interventions do not have to be accompanied by any other measures that would ensure the integrated nature of the intervention contributing to the wider social inclusion of the affected population.

The size of the funds distributed for **housing interventions** is 40 million Euro which is less than 5% of the total funds dedicated to integrated urban development actions. This relatively small amount seems to decrease the importance of the intervention and it can be assumed that this resource will not contribute significantly to the improvement of the deteriorated housing stock. However there are no concrete results in this field as **no call has been launched yet** under this operation. A demonstration project has been going on for

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prefabricated multi-unit buildings under the aegis of and financed by the Ministry of Regional Development and Public Works and UNDP and the experience of this project will be built into the call for tender targeting the energy saving refurbishment of prefabricated buildings. The available fund will be approximately 31 million Euro. Housing interventions in rural areas theoretically could be involved in the OP as well, but it seems less probable.

Furthermore, **pilot projects for Roma are currently being planned** with social housing measures with a fund of 9 million Euro. In the pilot programs, the new amendment of ERDF regulation Art 7. will be applied, meaning that new construction will be eligible as well, and an integrated approach has to be used by the municipalities, thus, they will have to include soft measures such as education and employment programs. The integrated approach will be ensured through parallel calls launched by the managing authorities of ROP and HROP (namely the two line ministries), and the municipalities have to submit proposals for both calls. The exact terms of the parallel calls and the method of coordination are currently under elaboration in a special working group that aims to harmonize calls in the case of integrated projects (a successful reference example is the recent deinstitutionalization of foster care via establishing social infrastructure and running social projects which is based on the coordination of the two OPs). The pilot projects can be launched in 2011 and expectedly 3 municipalities can be involved in it. The selection mechanism is not fully elaborated yet. Technical assistance will be provided for the selected municipalities to develop their integrated projects.

Regarding the housing situation of Roma the ROP MA considers the **unclear property conditions** of Roma one of the major issues that has to be solved. However there is no indication yet how improvements could be achieved in this field.

Regarding the **integrated urban regeneration and development plans** (IUDP) the original intention was that the municipalities accomplish the elaboration of IUDP by the beginning of the period of 2011-2013 and they can apply for ROP funds only with their IUDP. However, none of the municipalities has developed such plan so far probably because no funds were available for this. Therefore, currently 36 municipalities could apply for funds to start planning. In their IUDP they have to define 3 action zones for the developments and one of the areas has to be a so called social zone, a deprived urban area. The IUDPs have to include concrete actions with indicative budget and after 2014 they can apply only with projects that are listed in their IUDP. The fact that the types of interventions that could be supported from the EU funds after 2014 are not known, yet, is seen as an advantage by the ROP MA because only those projects will be listed by the municipalities which are truly needed.

**Social infrastructure developments** are financed under the priority axes 1 and 4. It is important that new construction is not allowed, only reconstruction, refurbishment and providing equipment. Under axis 4, there is an explicit reference to Roma as target groups, among the selection criteria. Under both axes, calls were released for renovation of educational infrastructure and these schemes are reported to have positively Roma children. Within the two grant schemes altogether more than 180 buildings were renovated affecting



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65 000 children of which 15 384 were of Roma origin.<sup>14</sup> However, a weak point of the implementation was that it was not bound to performing integrated education, hence it was often avoided. Prior to the accession, Phare programmes could sufficiently enforce integrated education (Kolev et al, 2010).

A substantial amount is going to the modernization of the labour office network. This also will be matched with resources from HR OP to modernize the services of the labour offices.

### Czech Republic

In the Czech Republic, the Operational Programmes follow a different logic from the aspect of territorial development. While there are seven separate Regional Operational Programmes for NUTS-2 regions (with different regional managing authorities) funding also urban center rehabilitation projects, some of the integrated urban development actions including housing interventions are under the so called **Integrated Operational Programme (IOP)** which is managed by the Ministry for Regional Development (MRD). IOP also includes measures for improving social infrastructure.

From the point of Roma integration and improvement of Roma neighbourhoods, the IOP contains two important priority axes:

- Priority Axis 3 Improving the public service quality and accessibility and
- Priority Axis 5 National support for territorial development.

The IOP has a 1,8 billion Euro budget out of which 641 million Euro goes to social infrastructure and 495 million Euro goes to territorial development measures.

**Housing interventions** can be only implemented from IOP resources under priority axis 5 (operation 5.2) and only in cities with population above 20 000 people are entitled for it (except for the Prague region which is excluded as a competitiveness region). The reason to “take out” housing related measures from ROPs was explained by the “deteriorating physical environment and the weakening social structure of [...] post-war housing estates”, therefore it “requires a national –level coordination and unified approach” (IOP, p. 66).

The housing interventions target two kinds of problematic housing areas. The main line of interventions covers the **problematic post-war housing estates** with an allocated budget of 63 million Euro. The housing interventions have to be implemented in action zones and can include measures for improving the public areas in the housing estates, and for renovation of the multi-unit buildings (operations 5.2.a and 5.2.b.) There is minimum requirement regarding the housing estate, it should consist of at least 500 flats. This operation targets

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<sup>14</sup> The above mentioned grant scheme is the only one where there is an exact available number of the Roma as end beneficiaries, as this kind of data are not used in other programs. In this case it is available because a clear focus of the schemes was the so called focal schools with high rate of Roma students. Other schemes do not explicitly target Roma, thus, no data is collected on the ethnic origin.

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deprived housing estates but in practice the experiences shows that not only those ones receive support. So far 41 such projects are implemented or under implementation.

It is important to note that all of the municipalities that apply for housing interventions must have **integrated urban development plan (IUDP)**, which has a special methodological guideline prepared by the MRD. The IUDPs concentrate only on the action zone and not to the whole city, and though it has to ensure the complexity of the project, in the projects itself complexity is not a requirement (it can contain only housing measures and it is not really checked whether other soft measures actually are applied<sup>15</sup>).

Furthermore, under operation 5.2.c **six pilot projects** were started for **socially excluded localities**, which practically mean marginalized Roma communities with an allocated budget of 13 million Euro. The pilot areas were selected by on the base of the list which defines 310 socially excluded localities in the Czech Republic compiled by the line ministry for social affairs. The pilot projects have to be of integrated nature, they have to include projects from the HR OP and social infrastructure development as well (IOP priority axis 3).

For the six pilot projects, the municipalities had to **develop IUDPs for the action areas** as the first step of the preparatory process. The IUDPs concentrate on the action zones and have to include all the projects that are planned to be financed from EU resources (not only physical investments but also soft measures). The IUDP's main role is to ensure the complexity and sustainability of the pilot projects for socially excluded localities, therefore establishing partnerships was a compulsory element of the planning period. The IUDPs had to meet firm methodological requirements and it had a fixed evaluation form as well. The IUDP is primarily evaluated by the line ministry as the MA for IOP but there is some communication with the managing authority of HR OP. This relationship is not formalized but based on good personal relations.

Furthermore, a **special working group** comprising several MAs, line ministries, participating municipalities and other agencies, most prominently the Agency for Social Inclusion was set up to help to develop the IUDPs for the pilot projects. The working group has been trying to play a special role also during the implementation of the projects and keep its substantial say it had during the preparatory phase. In the implementation phase, however, it seems that its role is diminishing partly because some of the cities feel that they won already the funding for their programs, and there are no effective mechanisms to enforce the implementation of the complex measures (employment, education, social work etc.) for getting the funding of which additional efforts should be dedicated. This also applies for the local partnerships: while some of the municipalities built strong connections with the relevant NGOs, others try to neglect them after their IUDP was approved.

The timeframe of the pilot projects is 5 years. The preparation of IUDPs was accomplished in 2008 in a half year period, and after the assessment of the projects, the implementation started in 2009. In the first year, the cities have to implement social interventions (including social infrastructure) and the housing and other infrastructure investments can be started

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<sup>15</sup> The Brno case demonstrated that organising the soft program elements is delegated to NGOs.

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only in the second year. Currently, some of the municipalities already started the housing measures.

**Social Infrastructure development** priority axis has two important operations that target the integration of disadvantaged Roma people and / or Roma communities. Under these operations, assisted housing (asylum homes, transitional housing etc.) related investments can be supported. This service provides not only transitional housing but also complex social work for people excluded from the “normal” housing sector and aims the reintegration of such people through empowerment like developing their social skills and employability.

In the Czech Republic, some Roma families find shelter in such homes after losing their own or rental housing<sup>16</sup>. Furthermore, social center related investments are supported that targets socially excluded localities and provide intensive social work, family assistance, low threshold services etc. aiming at the integration of the disadvantaged people.

In the case of priority axis 3, cross financing is allowed from ESF up to 9% of the project value in order to ensure complexity of the projects. Several, (but especially in the case of the assisted housing not too many) projects have been already started. The low interest is partly due to the difficulties to plan such complex projects. The line ministry is planning to launch further calls.

Regarding **targeting** the measures for Roma communities it can be said that the IOP is well designed in this respect. There are special measures that explicitly targets disadvantaged Roma people among other vulnerable people and the pilot projects exclusively targets marginalized Roma communities.

### Hungary

In Hungary, there are different Regional Operational Programmes for the 7 NUTS-2 regions. However, there is only one central managing authority that coordinates the programmes and provides methodological guidance as well. Therefore there are many similarities in the programmes, although they also reflect the regional specificities. The total budget of urban rehabilitation actions in the seven ROPs is about 750 million EUR for the period of 2007-2010. The budgets of the urban rehabilitation programmes are defined regionally, and in each region the major cities (cities with county rights<sup>17</sup>) have separated budgets while other cities have to compete for the funds in the framework of open calls.

**Housing interventions** are eligible under the social rehabilitation schemes of the integrated urban development operations of the ROPs. The integrated urban development actions have to be implemented in designated action zones of which two types are distinguished with different eligible interventions: city centers with the aim of enhancing economic and urban activities (market-based urban rehabilitation) and deprived urban residential areas with the

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<sup>16</sup> However the supply of such homes is very limited as municipalities are not interested to house marginalized groups. Therefore, if they have no other possibilities, they are forced to go privately owned shelters which have extremely high rents for very bad service.

<sup>17</sup> Cities with county rights: cities with population above 50,000 and the county seats.

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aim of improving social and spatial integration of such neighbourhoods (**socially sensitive rehabilitation**). The deprived urban residential areas can be prefabricated housing estates and traditionally built urban areas including segregated Roma settlements.

In order to define action zones of deprived urban areas a set of indicators is defined with benchmarks, differentiated regionally and based on the typical built environment conditions of the zone (housing estate/traditional urban area). The eligible housing interventions are renewal of common parts of multi-family buildings and the modernization of social rental units. Housing interventions can be and must be implemented only in the framework of the socially sensitive rehabilitation. For cities with county rights it is obligatory to implement a socially sensitive rehabilitation project besides renewing their center area.

In Hungary, cities have to develop **Integrated Urban Development Strategies (IUDS)** as an obligatory requirement to gain funds for urban rehabilitation projects from the ROPs. The IUDS has to cover the whole city area and has to include sector development policies and the local development policies in an integrated way.

The IUDS has a strict methodology and it is evaluated based on a clear set of criteria. In case the IUDS does not meet a minimum of 70% of the preset quality criteria, the respective city may not submit any project application. A so called anti-segregation plan is the compulsory part of the IUDS aiming the development of concrete measures related to the increase the social and spatial integration of those who live in segregated areas. To define the segregated areas in cities and towns, special indicators are used based on the spatial distribution of marginalized people (Census data of 2001 and data on local social allowances are used to draw maps).

Regarding the implementation of urban rehabilitation programs it can be stated that the market-based urban rehabilitation received a substantial priority. The allocated funds for market-based urban rehabilitation amounts to 375 million Euro, while for socially sensitive interventions 4.2 million Euro was allocated in the period of 2007-2009. The approved funds amount to the 71% of market-based and to 46% of socially sensitive urban rehabilitation funds in the same period.

Regarding the **socially sensitive rehabilitation** two rounds of calls were launched until the end of 2010. In the two rounds altogether, 41 projects were submitted out of which only 28 projects were approved. 14 projects targets traditionally built areas (the other 14 projects targets housing estates), most of them includes neighbourhoods with a high rate of Roma in the population. The amount dedicated to housing is 14.4 million Euro in these 28 projects, however 76% of this amount was spent to the renovation of housing estate buildings. Regarding neighbourhoods with high or higher Roma population in many cities, towns such areas are characterized by privately owned single houses which substantially hampered the use of funds directly for improving the housing conditions.

A general excuse of the local governments for not developing projects for segregated Roma neighbourhoods even with municipal housing has been that the housing condition are so bad in those areas that renovation is not possible, and demolition and rehousing of the people is needed.

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Therefore it is important that the ROP MA is currently considering to include the provisions of the amended of Art 7. in the next call for proposals of socially sensitive rehabilitation at the beginning of 2011. This could mean that in urban areas a new tool will become available to include housing infrastructure development and replacement that could benefit also Roma.

For some exceptions, the **development issues of rural areas** are not included in the ROPs but in the Rural Development Plan. E.g. in the North Hungarian ROP there is a special operation for rural settlements with interventions aiming local road, public transport and community /social infrastructure developments. In the South Plain OP the social infrastructure development is eligible even in smaller settlements of disadvantaged micro-regions. Furthermore, local road developments are eligible interventions in all ROPs.

Regarding **social infrastructure developments** the related interventions are financed from two kinds of operational programmes. The interventions related to institutions with local relevancy (such as elementary schools) are financed from ROPs while the development of (micro-)regional institutions are funded from the Social Infrastructure Operational Programme (SIOP which is based on ERDF funds).

From the aspect of marginalized Roma communities, one of the most important interventions related to social infrastructure has been the **modernization of elementary schools** that is financed from the ROPs but **with an integrated and approach aiming at desegregation**. A special condition of the application is that the local governments also have to apply for funds to modernize their pedagogic program (from HR OP) and equipments (from SIOP). Another basic condition is that the local governments have to develop their Public Education Equal Opportunities Plan, and if the settlement has a school with higher rate of socially disadvantaged children<sup>18</sup> than 40%, then they have to employ a public educational expert during the elaboration of the plan. The aim is that segregated schools should not get any public support for further improvements, only with the condition that the local government reorganizes its educational system in order to decrease educational segregation.

Another important initiative from the aspect of marginalized Roma communities is the so called **Most Disadvantaged Micro-Regions' Programme**. According to a Government regulation (311/2007.) the micro regions (MR) of Hungary were grouped into five categories based on a complex set of indicators of economic development, infrastructure standards and demographic parameters. The five categories are the following: 1) most disadvantaged micro regions with complex programme needs - 33 MR, 2) most disadvantaged micro-regions – 14 MR, 3) disadvantaged micro-regions – 46 MR, 4) micro-regions with regional backwardness – 14 MR and 5) all other micro-regions – app. 60 MR.

Disadvantaged, most disadvantaged and regionally important micro-regions mostly got extra scoring in the evaluation systems of the calls of the OPs. However, for the most disadvantaged regions with complex programme needs, an independent pilot programming

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<sup>18</sup> It is an official category based on social indicators and/or eligibility for a special social benefit, and gets certified classified by the local Notary of the municipality.

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system was developed, which was a special mixture of the bottom-up planning methods and the top-down financing schemes. For each 33 micro-regions, complex development programmes were worked out in the autumn of 2008 with the participation of micro-regional development committees – where delegates of Roma were also present. The planning process was supported by experts of the National Development Agency. As a result of the planning process, a list of possible development projects was prepared which was financed by operational programmes of the structural funds: Regional Operational Programmes (in 4 regions out of the 7), the Human Resource Development OP, the Social Infrastructure OP (with additional funds separately from the Economic Development OP). The financial procedure was not automatic: the projects that were developed by the micro-regions must have met the requirements of the sectoral and regional operational programmes by taking part in a tendering process in the framework of special calls prepared directly to these 33 micro-regions.

The new pilot programme for the 33 most disadvantaged micro-regions with complex programme needs was a success in that sense, that new complex development programmes on micro-regional level were prepared – in good and in bad quality as well. The programme was challenged from two aspects: several projects that were prepared were not able to meet the requirements of the sectoral and regional OPs, and within the micro-regions, the relatively more advantageous settlements and social groups were more successful in gaining funds.

Regarding **targeting**, there is a significant emphasis on the Roma in the ROPs, equally in the chapters analysing the current situation, the strategic ones and in those that deal with the priority axes. It is especially true for regions with high Roma population (Northern Hungary, South Transdanubia, South and North Plain). These regions emphasize the focus on Roma in the concrete interventions especially in the field of education, employment and settlement development. Regarding the socially sensitive rehabilitation, there is a separate intervention for segregated Roma neighbourhoods in the North Hungary OP, the South Transdanubia OP says that socially sensitive rehabilitation should target primarily the Roma neighbourhoods.

### Romania

There is one Regional Operational Programme for the 8 NUTS-2 regions in Romania. The ROP includes 6 priority axes including the development of urban growth poles, regional and local transport infrastructure, social infrastructure, regional and local business environment and tourism (the sixth one is the Technical Assistance). The ROP mainly concentrates on urban areas and areas with economic potential (a set of settlements is defined), thus rural areas are not in the focus of the ROP.

**Housing interventions** can be implemented under the priority axis 1 of ROP: Support to sustainable development of urban growth poles. This priority axis aims to increase the quality of life and number of jobs in cities and towns; thus, it includes several possible intervention areas as rehabilitation of urban infrastructure and improvement of urban services including transport, development of sustainable business environment and the rehabilitation of social infrastructure. Priority axis 1 aims at primarily aims the strengthening

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of the economic capacity of cities and the improvement of their attractiveness. Regarding housing rehabilitation of multi-family housing and social housing can be supported under the title of “social infrastructure” which also covers the improvement of social institutions and social services.

Funds to be allocated for housing interventions is not exactly specified in the ROP. However it is defined that 30% (1,1 billion Euro) of the all ROP funds is allocated to the urban development (priority axis 1) and 15% of this (167 million Euro) can be spent on social infrastructure and services which include housing as well.

The spatial allocation of funds for urban development is defined according the size of the city. The 7 regional growth poles (major cities and the surrounding agglomeration) have a fixed budget for urban development actions, which is 50% of the total funds of allocated to urban development. Another 20% of these funds go to the other large 13 cities. For the remaining 30% the so called urban centers (cities with population above 10,000) can compete in the framework of open calls.

**The Integrated Urban Development Plan (IUDP)** is a requirement for cities to receive funds for urban development interventions. The IUDP has to cover the so called action zones where the interventions are supposed to be implemented. An action zone can cover the city and the surrounding area (for the growth poles), the whole city but only part of the city (in the case of urban development poles and urban centers). The IUDP has to include the analyses of existing situation, identification of the problems and needs, and on the base of this the development strategy of the action zone, a list of planned interventions (including physical and soft measures funded not only from ROP but also from the Operational Programmes of Human Resources Development). The minimum requirement (for urban development poles and urban centers) is that projects financed from at least two kinds of operations of Priority Axis 1 of ROP have to be included in the IUDP. As cross-financing is not possible in ROP operations, in this way the IUDP intends to ensure the complexity of the projects in the designated action zones. There were some important activities carried out by the managing authority to support local authorities in developing integrated development plans, as it follows:

- the use of Technical Assistance (pre-accession funds) to support the local authorities of growth poles to elaborate Integrated Urban Development Plans during the period June-November 2008;
- Methodological Guidelines for the elaboration of Integrated Urban Development Plans carried out by ROP Managing Authority;
- regular meetings with representatives of the local authorities of growth poles and urban development poles, to support them in the process of Integrated Urban Development Plans’ elaboration and implementation.

Besides this, one requirement was set: the dilapidation of the action zone has to be proved by **indicators** according to the 10 indicators provided by the EU guideline in case social housing interventions are designed. At the beginning, 3 indicators had to prove the deprivation of the area, but as of autumn 2010, one indicator is considered sufficient. It is also important that no benchmarks for the indicators were set.

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For the 7 regional and the other 13 growth poles the elaboration of IUDP was compulsory while for urban centers only if they wanted to apply for funds of priority axis 1. The IUDPs of the 7 regional growth poles are evaluated by the managing authorities, while the the IUDPs of the other 13 cities are evaluated by the regional agencies which are the intermediary bodies of the MAs.

Despite the low absorption rate of the EU funds including ROP funds it seems that the funds for priority axis 1 (sustainable urban development actions) will be totally contracted out during the next year: so far 50 projects are contracted out and many others are under evaluation. However, none of the projects include housing interventions and none of them targets urban Roma neighbourhoods. Furthermore, deprived Roma neighbourhoods, small scale and rundown social housing were not indicated in the IUDPs of the cities as problem areas and thus, no related actions were planned. The cities' priorities were the upgrading of urban infrastructure, especially in the city centers.

The other important relevant priority axis of the ROP concerning the integration of Roma neighbourhoods is axis 3, targeting the **rehabilitation of social infrastructure**. Under this axis, health, social and education institutions and also infrastructure for public safety interventions can be upgraded. Especially the multifunctional social centers have a high relevance in deprived urban neighbourhoods and from the aspect of Roma communities as well. Practice shows that this operation was the one that was used mostly for the sake of Roma communities.

**The targeting** of the Roma population and Roma neighbourhoods in the ROP document is very weak. However, the ROP had to comply with the Art 16 of Regulation 1083/2006, namely equality between men and women and non-discrimination principle. In this context, in the evaluation grids of all projects financed by the ROP is set a criterion, which foresees a different scoring method taking into account the compliance of the beneficiary with this principle. Also, depending on the case it relevant different monitoring indicators for projects addressing Roma community were set.

In the chapter of priority axis 1, the IUDPs are described as the tool of the integrated approach of urban development supporting simultaneous actions for physical renovation and for integration of ethnic groups, and also environmental protection, but no further reference is mentioned. Priority axis 3 is the one that most explicitly refers to Roma's needs related to the difficulties to access health services and to school especially in rural areas and "vulnerable social areas". Regarding the SWOTs of NUTS-2 regions, Roma's problems are mentioned in the case of the South West Region and of Central Region, as despite similar concentration of the Roma population to other parts of Romania, the issues of marginalization are more severe here.



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### Slovakia

In Slovakia, the Regional Operational Programme is covering three NUTS-2 regions - Western Slovakia, Central Slovakia, Eastern Slovakia (the territory of Bratislava region is eligible territory for the Objective Regional Competitiveness and Employment). The ROP approved by the EC in September 2007 includes five (plus Technical Assistance) priority axes. The five priority axes are:

- Infrastructure of education
- Infrastructure of social services, social-legal protection and social guardianship
- Strengthening of the cultural potential of the regions and the infrastructure of tourism
- Regeneration of settlements
- Regional communications ensuring transport serviceability of the regions.

The priority axis 4 contains as one of eligible groups of activities the implementation of integrated strategies of development of the selected urban areas experiencing or threatened by physical deteriorating and social exclusion, including renewal of apartment houses.

But during the implementation in the years 2007 – 2010 the Managing Authority for ROP identified difficulties in the implementation of integrated development strategies for urban areas, mainly related to legislation for funding of apartment dwelling houses from the ERDF. Furthermore, the set up mechanism of support from the EU funds is not able to compete on the market with a much simpler products of building societies and banks (obligations of beneficiaries resulting from contracts for provision of grant, certifications, audits, controls). Because of above mentioned reason the draft of the programme revision submitted to the European Commission in October 2010 do not involves this type of activities. Instead of that, based on the midterm evaluation of ROP and the evaluation study "Implementing JESSICA Instruments in Slovakia" the Managing Authority of ROP proposes in the programme revision the support of housing infrastructure using the innovative financial mechanisms JESSICA, as a form of repayable financing model with potential for wider use of the implementation mechanism established after the year 2013. Implementation of the pilot project appears in the context of strategy ROP to be the best intervention into the existing infrastructure of housing for purposes of reducing energy consumption of buildings, promotion of renewable energy sources and social cohesion, as these objectives are within the ROP observed in support of all civil infrastructure facilities.

The Slovak Regional Operational Programme has a **special focus on Marginalised Roma Communities (MRC)**, both as target areas and as a horizontal approach/priority.

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### *MRCs as target areas in ROP:*

The Slovak ROP is targeted in general to the innovative and cohesion growth poles (covering about 83% of the population) but in addition ROP funds can be used in settlements with segregated Roma communities.

The fourth priority axis of the ROP (regeneration of settlements) contains a subpriority: **“Infrastructure of the municipalities with the separated and segregated Roma settlements”** which supports basically the infrastructure upgrading but not housing of settlements with segregated Roma neighbourhoods. This programme – at least in the first phase of 2007-2013 – is devoted to be a kind of continuation of the former PHARE programme aiming at the same group of settlements. The ROP aims at financing approximately 50 projects.

### *MRC as a horizontal approach:*

The support of Roma communities is a horizontal approach in all OPs during the years 2007 – 2013. This approach ensures a kind of complexity, which means certain coordination among OPs by targeting them to marginalised areas. The coordinator’s role is played by the **Office of Plenipotentiary of the SR Government for Roma Communities**. The Plenipotentiary has binding agreements on cooperation with every managing authority or intermediate body. It was agreed that in each OPs a specific amount of funds would be dedicated to the horizontal approach MRCs altogether amounting 200 million Euro.

Municipalities can get **financial support related to MRCs projects by two means:**

- Municipalities have to elaborate a **local strategy** of complex approach that is evaluated and approved by Plenipotentiary and afterwards a project pool is prepared. These projects could be submitted to different calls. It is the task of the Plenipotentiary to monitor and evaluate the results of the complex programmes.
- MRCs could participate in calls as individual projects, but this case it can be indicated that the project has an effect on MRCs, which effect is evaluated by Plenipotentiary and could get **additional scoring** basing on this fact.

So far 152 such local strategies of complex approach have been approved by the Plenipotentiary but the related projects implementation have not started yet. The new management of Plenipotentiary office decided to **reassess the local strategies** mainly because the project lists include interventions that **had no direct effect on the Roma at all**. This results in a large delay of the related calls which also implies the danger that the managing authorities use the MRCs dedicated funds for other purposes. It is the case of ROP funds: a considerable part of such funds has been already spent to other purposes.

However it does not mean that funds of ROP was not used for MRCs at all. The school renewal priority axis proved to be quite efficient in these respect, a number of schools attended by Roma (among them segregated schools) were renewed.

## ***6.2 Human resources development operative programmes***

### **Bulgaria**

In Bulgaria, the HR OP, with a budget of 1.2 billion EUR, targets the integration of Roma people more directly than the ROP. In the HR OP, a separate chapter (Chapter 6) is dedicated to the enhancement of Roma inclusion related issues, emphasizing those interventions of the HRD OP that have special focus on Roma. From the 6 priority axes of the HR OP, the following 3 ones significantly but not exclusively targets Roma:

- PA 1: promotion of sustainable employment and development of inclusive labour market. The PA targets the integration of vulnerable groups (long term unemployed, Roma, etc.) into the labour market.
- PA 4: Better access and integration to education and training. This PA includes measures for supporting schools with high ratio and high drop-out rates of Roma children (focal schools) e.g. to run full day educational programs in focal schools and providing training for illiterate people who are mainly Roma.
- PA 5: Social inclusion and enhancement of social economy. The first operation of this PA supports the employment of vulnerable people through subsidized employment including mainly disabled people but also some Roma were included as well.

It is also important that Chapter 6 contains indicators with benchmarks for the related operations of the 3 priority axes. The indicator indicates the number of Roma who should be affected by the given operations by the end of 2013.

The funds are distributed through three intermediary bodies (Employment Agency, Ministry of Education and Agency for Social Assistance). In the case of some operations there is no competition for the funds; instead, they are distributed to the public institutions aiming the modernization of the operation of the system and to reach a better national coverage. For example in the case of 5.2 operation (social service in support of labour market integration) funds goes to the local labour offices to increase the number of mediators with 250 trained experts working with vulnerable groups. However, there are also grant schemes when the applicants have to compete for the resources through tenders. Now the MA for HR OP plans longer projects even 4-5 year long, but mainly for public institutions.

Regarding the implementation in the case of some operations substantial part of the allocated funds are contracted out (4.1 and 4.2 education program) but in some cases there were no calls launched yet (e.g. 1.2 the integration of vulnerable people to labour market). Reallocation of funds is possible between operations and priority axes as well on the basis of progress report, though currently there is no such consideration from the part of the MA.

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There have been some successful programs with integrated approach financed from different OPs. For example a program together with the Competitiveness OP in order to develop enterprises employing disabled people.<sup>19</sup> Though the coordination with other OPs was not so effective in the past, e.g. there were social infrastructure developments without ESF funded programs but now with the coordination of minister of EU funds the cooperation has become much more efficient and the calls of different OPs are much more harmonized.

It is an important development that representatives of Roma participates in the Monitoring Committee of HR OP.

Some evaluations (Kolev et al, 2010) show that the programs and calls are not targeted to Roma efficiently, and thus, in reality, only few Roma are reached as end-beneficiaries of the programs. This proves that mainstreaming is not enough to implement programs really for Roma, but specific measures are needed in the process of designing calls, assistance in application for calls etc. Moreover, the implementation of Roma related indicators are not measured and the right methodology is still missing to measure the effects of the programs for Roma. Self-identification is proved not to be an efficient tool in identifying the Roma end beneficiaries. It is only in the case education programs aiming desegregation and inclusive education of ethnic minorities that approximate numbers of participating Roma / disadvantaged children can be generated, as the program targets focal schools they attend.

### Czech Republic

In the Czech Republic, 1.84 billion Euro is allocated for the HR OP. The HR OP has six priority axes mainly concentrating on the employment and labour market related interventions (the interventions related to education are included in the Education for Competitiveness OP). The most important priority axis of the OP in terms of Roma integration is the priority axis 3 called **Social Integration and Equal Opportunities**, but also priority axis 2, the Active Labour Market Policy has relevancy, because of the public employment programs (though it focuses on easier employable people).

Priority axis 3 is designed for **disadvantaged groups that are excluded from the labour market on long term**. One operation (3.1) includes measures for social services that help the socially excluded persons to have access the mainstreaming programs and to enter the labour market. Another operation (3.3) targets the development of **social economy** which means the establishment of social enterprises that employ socially excluded persons or that provide social services for socially excluded. In order to link investments in social infrastructure financed from the IOP with relevant social services, the HR OP also provides funds to develop soft programs in such social centers.

In addition to the above, **one operation (3.2) exclusively targets socially excluded localities** by providing them complex social services. This operation includes programs for developing and modernizing social services like field social work, individually tailored social work, low

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<sup>19</sup> Earlier we made a short reference to the coordination of ROP and HR OP in the case of deinstitutionalisation of children from foster care.

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threshold services, housing assistance services etc. It also aims to enhance the cooperation among relevant institutions (state, local administration, employment offices, NGOs). In the framework of this operation quite many projects gained support and many of them were of good quality. A large part of such projects are implemented by NGOs. However the cooperation of relevant players is still not efficient enough, the municipalities are often reluctant to build real cooperation with NGOs.

Those organizations can apply for such funds that are located in settlements which gained the qualification of having socially excluded localities during the relevant national level mapping in 2006. Presently there are 31 such settlements that were designated on central level. The projects have to target disadvantaged people in such localities. These municipalities have to develop **social inclusion plans** as well. The agency has local consultants in 23 socially excluded localities who also provide assistance to develop concrete projects.

Regarding the **six pilot projects for Roma communities** (see section on the Czech OPs further above), the municipalities and NGOs have to apply for HRD OP funds with soft programs as well and it is the MLSA that approves the proposals. The experiences show that mainly the NGOs implements soft measures in the framework of pilot projects. The Agency for Social Inclusion provided training for its local consultants who are responsible to develop projects in the IUDP of the six pilots but the representative of the agency does not participate in the local working group managing the pilots locally.

Presently there is **no global grant** scheme in the HR OP. The PHARE programme period applied one such scheme with reportedly positive experiences. Based on the lessons learned from that period, the HR MA has been working on a simplification of the procedures for smaller projects (the use of flat indirect costs are already possible and proved to be very useful).

### Hungary

In the Hungarian HR OP there are 6 priority axes (plus one PA for Central Hungarian Region and the technical assistance PAs) out of which 4 PAs have high relevancy from the aspect of the social inclusion of Roma.

- PA1: Improving employability, promoting entry to the labour market
- PA3: Providing quality education and ensuring access for all
- PA5: Strengthening social inclusion and participation
- PA6 : Health preservation and human resource development in health care system

The HRD OP has a budget of 4.1 billion EUR. From the total budget, 22% goes to education related programs (the largest budget in HR OP), 18% to improving employability, 11 % to social exclusion programs and 5% to health service related programs.

In practice, the education and the social inclusion related operations have proved to be the mostly used measures for disadvantaged Roma people and communities. Regarding education, the measures that supported the integrated education of Roma children in

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primary schools and the development of the related system of expert network have been very important. Furthermore, this PA includes programs to improve the quality of education and it especially promotes the competence-based education methods. From the aspect of Roma children, extracurricular activities are especially important and many such programs were implemented mainly by NGOs.

Priority axis 5 includes a very wide range of measures that help the inclusion of marginalized people living in deep poverty. Such measures included community development programs, establishment of early childhood development centers in disadvantaged settlements, integrated programs with the aim of decreasing the child poverty, empowerment programs for long-term unemployed and disadvantaged people, social service provision in order to enable disadvantaged to get access to mainstreaming services etc. This PA, in a separate operation, includes those ESF measures that can be supported in the framework the Most-disadvantaged micro-regions complex program providing also training and employment programs.

The measures related to social economy are included in the priority axes 1. The program was well designed, however there were substantial delays in the two-step assessment procedure of the proposals, therefore the implementation could not be started yet.

Despite the large variation of programs that HR OP allows for, it has been also criticized that it has a very fragmented structure and it is very difficult to follow the launch of calls.

### Romania

The Romanian HRD OP has 6 priority axes (plus the technical assistance PA) with a total budget of 4.1 billion Euro. Three of the priority axes contain operations most relevant for marginalised Roma people and communities:

- Linking lifelong learning and labour market
- Priority Axis 5: Promoting active employment measures
- Priority Axis 6: Promoting social inclusion

Priority axis 6, **promoting social inclusion** is the one that at most targets inclusion of vulnerable groups into the labour market. The target groups of this PA are a wide range of vulnerable groups including Roma, disabled people, women, single parents, homeless people, etc. The aim of the priority axis 6 is “facilitating access on the labour market of vulnerable groups and promoting a cohesive and inclusive society in order to ensure the welfare of all citizens”. For the priority axis 6, a budget of 644 million EUR was allocated which amounts to the 15 % of the total HR OP budget.

There are three main operations under the priority axis 6 aiming at

- the development of social economy,
- the improvement of access and participation of vulnerable groups on the labour market and
- the promotion of equal opportunities on the labour market.

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Regarding Roma, the HR OP document acknowledges that Roma are among the most disadvantaged groups in Romania. Therefore, it aims “to improve their educational standards, realize their potential skills, harness and formalize their entrepreneurial abilities” (SOP, p 103). This operation also intends to promote the **development of local partnership** of NGOs, voluntary organizations, local businesses and local authorities. Furthermore it emphasizes that **the capacity building of local NGOs** is needed in order to enable them to implement concrete projects in the field. The interventions related to capacity building of NGOs can be financed from priority axis 3, from the operation of “Development partnerships and encouraging initiatives for social partner and civil society”.

Regarding the implementation the **absorption rate of the priority axes is very uneven. Funds for priority axes 6 are practically contracted out already**, while for example the modernization of the labour office system has not started, yet, at all. Regarding the needs also from the part of disadvantaged Roma, there is a necessity to reallocate funds to priority axis 6. By the time of the interviews made, there is no concrete decision about this yet.

It is important that cross-financing from ERDF funds is possible up to 10 % of the project value enabling the renewal of building and equipments. The managing authority tries to encourage the **complexity of the projects** by allowing the mix of activities in one project. In order to enable smaller NGOs to implement local projects **small grants** are also available up to the value of 5000 Euro with an implementation period of two years. Such small grants have simplified procedures.

According to recent information of the MA, currently altogether 32 projects dedicated to Roma are being implemented from HR OP funds with a total value of 124 million Euro:

- under PA 2 - Linking lifelong learning and labour market: 11 projects;
- under PA 5 - Promoting active employment measures: 3 projects;
- under PA 6 - Promoting Social Inclusion: 18 projects.

However there is **no exact assessment that actually how many Roma people have been reached** as end beneficiaries by these projects.

The National Agency for Roma (NAR) has been implementing six projects from HR OP, each carried out in several localities, with an implementation period of three years. The six projects have altogether a 22.2 million EUR value. One of the supported projects is the establishment of national network of Roma local experts consisting of 210 experts at local authorities and 42 experts at County Prefectures. The experts’ tasks are to survey local problems, to assist the development of concrete projects for the interest of Roma communities and to facilitate the local partnership building between Roma communities, NGOs working with Roma communities and the local authorities. Further projects are related to preventing and correcting early school leaving of children, and development of social economy in order to increase the employment of Roma.

Despite all these, the implementation of the HR OP is **heavily criticized by the NGO sector arguing that the measures and related calls have not been targeted Roma efficiently** and Roma communities, NGOs do not have sufficient access to HR OP funds. It is also criticized that the conditions of calls are too complicated, the implementation requires very

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bureaucratic and long-lasting procedures, that local, smaller local NGOs cannot meet and financially cannot bridge the lengthy and delayed reimbursement periods.

### Slovakia

In Slovakia, there are two operational programmes dealing with human resources development issues related to education and employment issues. The **Slovak Education Operational Programme** contains 4 priorities (plus Technical Assistance) of which PA 3 called “Support to education of persons with special educational needs” has a special focus on MRCs by defining a separate measure for them (3.1). The objectives of the measure are:

- Support social inclusion of members of the MRC by facilitating their access to formal education and to the acquisition of skills necessary on the labour market
- Continue education of members of the MRC as well as of persons working in the field of their integration into the society

There are several activities that are eligible under the measure, such as financing: preparatory courses, vocational training, methodological documents, Roma language courses, working incubators, international cooperation and networking

The **Slovak Operational Programme on Employment and Social Inclusion** contains 4 priorities (plus Technical assistance), which are the following:

1. Supporting employment growth;
2. Supporting social inclusion;
3. Supporting employment growth, social inclusion and capacity building in the Bratislava Self-governing Region (BSR);
4. Capacity building and improving the quality of public administration.

The OP does not have such a territorial or thematic focus like OP Education and ROP have, namely a focus on marginalised Roma communities. It rather focuses – as a subgroup – to groups at risk of social exclusion and socially excluded groups. However in case of some sub-measures, special attention is paid to the members of marginalised Roma communities, like in case of measures for second chance education projects, or social care services.

The **implementation of the OP is burdened by several factors**, among them misuse of funds but also the very bureaucratic related procedures and the delay of payments. These factors especially make difficult the use of funds for smaller municipalities and NGOs. So far 60% of funds was contracted out, but 15% was actually spent only. 26 million Euro was dedicated to regions of high proportion of marginalized groups, among them Roma. However there is no assessment that from this amount how much actually went to MRCs. Realising the indicated difficulties, the managing authority wants to make **changes in order to a more targeted and**



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**efficient use of funds also for Roma.** For example they want to match self-employment programs with technical assistance financed from Jeremy micro-loans. To make the use of funds more efficiently they want to push down the costs by stimulating beneficiaries to employ people and do the tasks in-house rather than outsourcing, and by maximizing some of the costs (e.g. managements costs). For MRCs a call is planned to establish community centers that would allow for a higher cross-financing from ERDF to enable the municipalities to cover the cost of physical investments. Furthermore a closer coordination is planned with ROP MA in order to link infrastructure related projects with soft measures for MRCs.

## 7 Annex

### 7.1 References

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### 7.2 Interviews carried out during field visits

| Name                   | Country  | Institution   | Position   |
|------------------------|----------|---|--|
| Georgi Krastev         | Bulgaria | Republic of Bulgaria Council of Ministers   | Counselor  |
| Vizhdan Milanova       | Bulgaria | Open Society Institute  | Coordinator  |
| Rayna Timcheva         | Bulgaria | Mikrofond EAD   | Social projects Director                                     |
| Krassimir Kanev        | Bulgaria | Bulgarian Helsinki Committee  | Chairperson  |
| Nikolay Sidjimov       | Bulgaria | Habitat for Humanity Bulgaria   | Country Manager  |
| Lilyana Pavlova        | Bulgaria | Regional Development and Public Works   | Deputy Minister of   |
| Tanya Hristova         | Bulgaria | Minister of EU funds management   | Head of the Political Cabinet of the Minister                |
| Mr. Krassimir Popov    | Bulgaria | Republic of Bulgaria, Ministry of Labour and Social Policy  | Deputy Minister  |
| Anjelina Toteva        | Bulgaria | Minister EU funds management  | Adviser to Minister EU funds management                      |
| Bojan Zahariev         | Bulgaria | Soros Foundation  |  |
| Maria Metodieva        | Bulgaria | Soros Foundation  |  |
| Robert Jan Hřebíček    | Czech R. | Ministry of Labour and Social Affairs   | Director   |
| Ivan Vesely            | Czech R. | Dzeno Association, Renewal and Development of Traditional Roma Values   | Chairman   |
| Ivana Nesétová         | Czech R. | Centrom civic association   | Director   |
| Alexandra Simčíková    | Czech R. | Ministry for Regional Development of the Czech Republic, Managing Authority of the Integrated Operational Programme | Responsible for IOP at the Ministry for Regional Development |
| Jitka Tesarova         | Czech R. | Brno Social Department  | Head   |
| Jakub Čihák,           | Czech R. | NGO R-Mosty   | Director   |
| Iva Poláčková,         | Czech R. | NGO Walking together  | Director   |
| Martin Lux             | Czech R. | Academy of Sciences of the Czech Republic   | Researcher   |
| Martin Simacek         | Czech R. | Agency for Social Inclusion   | Director   |
| Helena Petrokova       | Czech R. | MLSA, Department of ESF and IOP   | Head of Department   |
| Stepan Ripka           | Czech R. | NGO Mezanin   |  |
| Delia Luiza Nita       | Romania  | Centre for Legal Resources  | Anti-Discrimination Program Manager                          |
| Ana Ivasiuc            | Romania  | Agentia Impreuna  | Coordinator  |
| Gelu Duminica          | Romania  | "Impreuna" Agency for Community Development   | Executive Director   |
| Daniela Tarnovschi     | Romania  | Soros Foundation Romania  | Programs Coordinator   |
| Lorin Niculae          | Romania  | Soros Foundation Romania  | Housing and Urbanism Programs Manager                        |
| Calin Moldovan-Teslios | Romania  | Metro Media Transylvania  | Director de Secretare  |
| Adina Florea           | Romania  | Government of Romania, Ministry of Regional Development and Tourism   | Director   |

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|---------------------|----------|--|---|
| Ilie Dinca          | Romania  | National Agency for Roma   | President                                     |
| Ionescu Trinku      | Romania  | Government of Romania, Ministry of Regional Development and Tourism      |   |
| Bogdan Suditu       | Romania  | Government of Romania, Ministry of Regional Development and Tourism      |   |
| Cosmin Campean      | Romania  | Romanian Social Development Fund   |   |
| Maria Ionescu       | Romania  | Impreuna   |   |
| Adrian Dan          | Romania  | University of Bucharest  | Deputy Dean                                   |
| Catalin Berescu     | Romania  | FRONTAL, Architect   |   |
| Vladimir Rovintescu | Romania  | ESF MA   | Head of Department                            |
| Joost de Laat       | USA      | The World Bank   | Economist                                     |
| Tamás Jankó         | Hungary  | MA HRD OP, National Development Agency                                   | Senior Counselor                              |
| Márton Matkó        | Hungary  | MA ROP, National Development Agency                                      | Head of Department                            |
| Csilla Horváth      | Hungary  | MA ROP, National Development Agency                                      |   |
| Béla Herczeg        | Hungary  | Most Disadvantaged Micro-Regions' Programme, National Development Agency |   |
| Alexander Musinka   | Slovakia | Commission of the SR Government for Roma Communities                     | Advisor                                       |
| Zuzana Polackova    | Slovakia | MA ESF   | Director General                              |
| Marek Hojsik        | Slovakia | Social Development Fund  | Director                                      |
| Miroslav Pollak     | Slovakia | Government Commissioner for Roma   | General Director                              |
| Juraj Kuruc         | Slovakia | Commission of the SR Government for Roma Communities                     | Advisor                                       |
| Adam Adamec         | Slovakia | Commission of the SR Government for Roma Communities                     | Advisor                                       |
| Alexandra Kucmanova | Slovakia | MA ROP   | Director General                              |
| Slavomira Macakova  | Slovakia | ETP NGO  | Director                                      |
| Elena Szolgayova    | Slovakia | Ministry of Transport, Regional Development and Construction             | Head of Housing and Urban Planning Department |